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# ***JPRS Report***

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# **Near East & South Asia**

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# Near East & South Asia

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**Turkey Rejects Minority Estates Bill**  
*46050019 Istanbul MARMARA in Armenian*  
6 Feb 89 p 1

[Text] For some time there has been discussion about the draft law on Minority Religious Foundations which would have enabled these foundations to accept estates bequeathed by individuals and to acquire new estates like other religious foundations in Turkey. This bill was very important for us because, as is known, the future of numerous estates that belong to our community is uncertain because the government has refused to register those estates in our name. Had the said draft law been approved by the National Assembly, not only would the future of those estates have been salvaged, it would also be possible to acquire new estates.

CUMHURIYET reports today that the said bill was withdrawn from the Assembly because of an objection raised by Alpaslan Pehlivanli, chairman of the Assembly's Judicial Commission. Pehlivanli argued that the said

bill is incompatible with the Treaty of Lausanne. Acting on that objection Prime Minister Ozal requested that the said bill be shelved indefinitely.

The draft bill was submitted to the Assembly last year but its turn for discussion did not come up during that session. The bill was put on the agenda again this year, but this time it was blocked by the argument that "it is incompatible with the Treaty of Lausanne."

In 1972, a meeting was held with regard to the Minority Religious Foundations. The meeting was convened by the Security Directorate General and was attended by representatives of the Ministry of Justice, the Office of the General Staff, the Directorate General of Religious Foundations and the National Intelligence Organization. In that meeting, minority estates were classified as estates of non-Islamic foundations.

The draft bill which was withdrawn from the Assembly would have created new dispositions about the 176 minority religious foundations which were established before the Republican period.

## REGIONAL

### **Arab-Soviet Relations, Cooperation Described**

44040243 Amman AL-DUSTUR in Arabic  
17 Jan 89 p 12

[Text] The final communique for the Arab-Soviet Dialogue Forum affirmed that every positive development on the Arab scene which takes place during the period in which an atmosphere of international detente continues to exist represents an important, historic opportunity which must be enhanced and seized for the sake of peace, justice and development in general. Such an opportunity must also be seized to strengthen Arab-Soviet cooperation in particular.

A communique was issued at the conclusion of the second round of talks between the Arabs and Soviets. These talks, which were held on the 14th and 15th of this January, were held at the invitation of the Egyptian Committee for the Solidarity of Afro-Asian Peoples, the Arab Thought Club in Amman, and the Soviet Solidarity Committee. The communique indicated that participants in the dialogue had noted the various areas in which Arab-Soviet cooperation can be enhanced and advanced in their countries on the basis of enlightened mutual interests, especially in the areas of the economy and technology. New, Soviet economic reforms were offering Arab capital, especially from the Arabian Gulf countries, opportunities to participate in joint economic projects. Furthermore, the Arab homeland and the Soviet Union represent to each other two large markets for each other's goods and services.

In the final communique, which was read by Dr Sa'd-al-Din Ibrahim, secretary general of the Arab Thought Club, Soviet and Arab participants expressed their extreme satisfaction with the high level of discourse in this nongovernmental dialogue between the Soviet people and the Arab people, which they considered a model of popular diplomacy that should support and interact with official Arab-Soviet efforts that are being made to bring about closer relations, deeper understanding and broader cooperation between the two parties. They affirmed that continuing this dialogue was necessary, and they agreed that the third round of Arab-Soviet talks would be held in Moscow. The first round of these talks had been held in Amman, and the second was held in Cairo.

### **The Palestinian Question**

With regard to the Middle East problem the final communique indicated that Soviet participants in the dialogue were affirming that the essential parts of their Middle East policy had not been changed even though the methods and tools of the policy itself had become more flexible. The Soviet Union opposes the use of military force to settle regional conflicts, and it opposes aggression and the seizure or occupation of other people's lands. The Soviet Union, which still considers the

Palestinian question to be the core of the conflict in the region, thinks there are two states west of the Jordan River: one of these states, which is Israel, is occupying the territory of the other, which is Palestine. The Soviet Union supports all regional and international efforts to end this Israeli occupation, and it also supports the uprising of the Palestinian people against this occupation.

The new changes in the Soviet Union and the broad steps that are being taken by Soviet Chairman Gorbachev to restructure all aspects of Soviet society were reviewed and examined at the session. The effects of these new policies on the Arab region were reviewed by participants, who raised several points during the session on where the Arab homeland stood in the new detente, whose foundations are now being established between the Soviet Union and the United States of America. Participants also dealt with the future of the Arab-Israeli dispute with an eye to a policy for resolving regional disputes and not allowing regional tensions to pose a threat to the new detente.

### **New Arab Tendencies**

A paper presented by Dr Muhammad al-Rimihi, editor-in-chief of the Kuwaiti magazine, AL-'ARABI, formulated these new Arab tendencies [as follows]: the Palestinian uprising; the declaration of a Palestinian state; the suspension of military operations between Iraq and Iran; the continued decline in oil prices and the effect of that decline on Arab countries that do and do not produce oil; the new political organizations; the tendency toward pluralism, such as in Algeria and Iraq; the effects of international detente; and the emergence of what may be called a new Arab mental attitude.

The Soviets were interested in observing the integration processes which are taking place in the Arab region. They were interested in the integration processes that are taking place in the great Arab Maghreb and in the area of the Gulf, the Arabian Gulf Countries' Cooperation Council. They were also observing the rapprochement between Jordanians and Palestinians.

The Soviets think that Arab integration can be developed by encouraging the establishment of regional associations. In fact, they even think the Mediterranean basin can be integrated on the basis of the region's disarmament. They think that approach could be tied to another one for settling the Arab-Israeli conflict.

Mindful of the changes in the Arab region, Soviet participants in the dialogue indicated that the declaration of an independent, Palestinian state and recognition of that state by a majority of Mediterranean countries, as well as the direct dialogue between the United States and the PLO, were considered significant steps to a solution to the longest dispute of the 20th century.

### Economic Cooperation

Arab-Soviet cooperation in the fields of economics and technology was discussed in the dialogue. While the Soviets stressed prospects for economic cooperation in the oil and gas sector, the Arabs gave special importance and priority to the question of technology since the Soviet Union and the Arab world are facing the obstacle of limited resources to develop science and technology.

Ivan (Kovanov), member of the Soviet delegation, reiterated his emphasis on prospects for cooperation between the Soviet Union and the Arab countries. He said direct communications between Soviet foreign trade organizations and Arab oil-producing countries were to continue with regard to specific issues that have to do with the situation that is developing in the world market. He said this was to be done to preserve the stability of the market in an objective manner, and he stressed the importance of establishing Soviet-Arab cooperation in the oil refining industry. Mr (Kovanov) said that since the restructuring of the Soviet economy, economic cooperation was no longer limited to government organizations and that it now included the private sector.

A proposal was made to establish a joint Arab-Soviet chamber of commerce.

### The Future of Relations

Participants in the dialogue touched upon the future awaiting Arab-Soviet relations. Dr Muhammad 'Abid al-Jabiri (Morocco) presented his view in that regard, and he called for Arab relations with the Soviet Union to be built on the basis of serving and defending the homelands in the context of joint efforts undertaken to serve mutual interests. Prospects for this cooperation are broad enough to include joint projects which would be undertaken to implant technology into the Arab countries by establishing real Arab factories and joint scientific research centers. An effort is to be made to industrialize and modernize Arab agriculture to benefit the Arabs and to trade agricultural products with the Soviets. In addition, there should be cooperation in the area of mutual defense.

Both the Arabs and the Soviets spoke about the importance of supporting and continuing this dialogue in an effort to achieve a common understanding of what is happening in today's world. Both the Arabs and the Soviets want to steer the machinery of change in today's world in the direction of serving the people's interests.

### Joint Jordanian-Iraqi Projects, Trade Discussed

44040185 Amman AL-DUSTUR in Arabic  
19 Dec 88 p 14

[Text] The following is the text of the minutes of the fourth meeting of the Joint Jordanian-Iraqi Supreme Committee.

Based on the brotherly relations existing between the Hashemite Kingdom of Jordan and the Iraqi Republic, whose foundations have been laid down by His Highness King Husayn, and his brother, His Excellency President Saddam Husayn, and in keeping with their directives aimed at deepening these relations in various areas, and based on the belief of the brother countries in the unity of their shared destiny, the Joint Jordanian-Iraqi Supreme Committee held its fourth meeting in Baghdad during 17-18 December 1988. The Jordanian delegation was headed by Prime Minister Zayd al-Rifa'i, and the Iraqi delegation was headed by Taha Yasin Ramadan, a member of the Revolutionary Command Council and first deputy prime minister.

The two parties apprised themselves of the follow-up reports filed by the Joint Jordanian-Iraqi Committee, and they expressed full satisfaction with the progress of bilateral relations between the two countries, and with the advanced level which these relations have reached. The following was accomplished in the meeting:

I. Reading of the minutes of the 9th meeting of the Joint Jordanian-Iraqi Ministerial Committee, which convened in Baghdad from 14-18 December 1988. The minutes dealt with economic, commercial, and agricultural cooperation; energy; industry; transportation; communications; finance; health cooperation; contracts; and the confirmation of the recommendations contained in the minutes.

II. Increasing the volume of commercial exchange between the two countries to \$800 million during 1989.

III. Agreement was reached on the following points in order to lay the groundwork for the decision to unify the Jordanian and Iraqi markets in the industrial and national products sectors with the goal of expanding the base of industrial integration:

A. An invitation to the Jordanian and Iraqi ministers of industry and commerce, or their deputies, to attend a meeting sometime during the next three months in order to formulate a practical program to implement the goal of unifying the two markets in the industrial sectors, which was decided in the preceding meeting of the Supreme Committee, and to expand the sectors to include the following programs:

1. Acquisition of an understanding of the economics of the existing programs in both countries.

2. Facilitation of the transfer of production factors, especially manpower, primary production input materials, and finished products.

3. The planning of future investment projects in these sectors in order to achieve the integration of the two countries.

4. Formulation of a time schedule for the establishment of a customs barrier protecting these sectors from the external world.

IV. The Supreme Committee perused the minutes signed on 16 June 1988, which pertain to courses of action formulated for the agricultural sector by the ministers of agriculture of both countries. The committee also agreed to the recommendations contained in the minutes, and both ministries called for the adoption of the minutes.

V. The Supreme Committee called on the Iraqi-Jordanian Company for Industry to expedite—through its subsidiary companies, whose capital is contributed primarily by the private sector in both countries—the establishment of new development projects, which depend on primary materials available in the two countries, especially in the fodder, pharmaceutical, and food industries and the irrigation equipment industry, which provides drip irrigation and draining components and covering material to reduce evaporation.

VI. In order to complete economic integration measures and to lay a firm basis for them, it was decided that pertinent agencies in both countries will undertake a study of the following, and submit their reports to the Supreme Committee at its next meeting:

A. Linkage of the electricity grids of the two countries as a first step on the road to linking sections of the Arab East to the Arab West.

B. Integration in the area of transport, and linkage of the two countries by a railway line.

VII. The next meeting of the committee will be held in Amman during December 1989. The date of the meeting will be determined by agreement between the two chairmen of the committee at a subsequent date.

In a related development, the minutes of the meeting of the Joint Jordanian-Iraqi Committee for 1989 were signed; they include the following points:

#### **In the Field of Commercial Exchange**

A. Setting the volume of commercial exchange between the two countries at \$800 million.

B. The allocation of \$75 million for an Iraqi commercial center in Amman and a Jordanian commercial center in Baghdad.

C. The establishment of an exhibition of Jordanian goods in Baghdad and an exhibition of Iraqi goods in Amman to familiarize citizens of the two countries with each other's products; permission for the direct purchase of \$2 million worth of goods by each party.

D. The development of commercial exchange between the two countries by removing impediments to the flow of each country's domestic goods between them, with each country giving priority to imports from the other country.

E. The continued supply by Jordanian companies of the needs of Iraqi official agencies for goods originating in Jordan.

#### **Industry**

- Industrial cooperation and coordination, with the objective of creating new industries to complete industrial and economic integration measures.
- Continuation of cooperation in the area of standardizing specifications.
- Emphasis on the need for serious and extensive cooperation in the areas of research and studies between pertinent companies, institutions, and institutes in the two countries, in general, and in the area of phosphate fertilizers and pharmaceuticals in particular, as well as coordination between institutions and organizations specialized in the provision of consulting and engineering services in the areas of design and technology transfer.
- Encouragement of the Iraqi-Jordanian Company by establishing projects whose economic benefit has been proven by studies, with priority being given to industries whose raw materials are available in both countries.
- The undertaking of a study by the company regarding the establishment of new industrial projects in the following areas: the fodder industry; the pharmaceutical industry; and irrigation equipment and requirements.

#### **Agricultural Cooperation**

A. Cooperation in the area of exchanging information, experience, and training.

B. Cooperation in the exchange of agricultural materials, especially:

1. Incubation and table eggs.
2. Fodder.
3. Medicine and vaccines.
4. Requirements for hothouse agriculture.

C. Future cooperation:

1. Agricultural studies.
2. Development of horticulture.
3. Cooperation in the area of combatting agricultural pests.

4. Cooperation in the area of irrigation.

5. Cooperation with regard to environmental protection in the area of energy:

A. Oil:

1. Continuation of work on the storage and delivery agreement.

2. Continued supply of the Jordanian market with Iraqi oil and oil products.

B. Electricity:

- Undertaking joint studies to link the al-Rishah transformer station in Jordan with the al-Ratbah transformer station in Iraq by means of a high-capacity electrical line to link the grids of the two countries, with the objective of completing the process of linkage in a comprehensive manner.
- Establishment of a regional industrial center for cooperation between the two countries in the area of evaluating services related to maintenance operations pertaining to generating and transformer stations and electrical energy transport grids.

**In the Area of Transportation**

The need to strengthen, develop and diversify transport and communication resources, complement economic integration components in all fields, and form a joint technical committee to study linkage of the two countries by a railway line.

**In the Area of Health**

- Exchange of experience and information in the area of infant and mother care.
- Training of health cadres in Jordanian institutes and hospitals.
- Establishment of joint courses in the area of preventive medicine.

**Contracts Sector**

The two parties agreed to encourage and facilitate the participation of contractors in both countries in implementing development projects, especially construction and road projects, on a competitive basis.

This agreement was signed on behalf of Jordan by Hamdi al-Taba', minister of industry and commerce, and on behalf of Iraq by Muhammad Hamzah al-Zubaydi, minister of transport and communications.

The delegation included the ministers of transport and communications, finance, energy and mineral resources, and industry and commerce, as well as the minister of state for cabinet affairs, the governor of the Central Bank

of Jordan, the president of the board of directors and executive director of the Jordanian royalty office, and the director of the prime minister's office.

**PALESTINIAN AFFAIRS**

**Announcement of 'State of Judaea' Prompts Arab Reaction**

44040232 Haifa AL-ITTIHAD in Arabic 20 Jan 89 p 3

[Article by Farid Ghanim: "The State of 'Judaea'—Long Live the Little Difference"]

[Text] No doubt you have heard the chants that emanated from the halls of the Plaza Hotel in western Jerusalem on 18 January 1989. It is said that a group of pioneer settlers in "Judaea and Samaria" (the West Bank and Gaza Strip) have organized what they called "The First Zionist Conference" in which they declared before the journalists' cameras and microphones the establishment of a "Jewish" state on every inch of ground from which the Israeli army will withdraw. Your ears might have picked up some of the hysterical songs sung by the conferees that remind one of Shakespeare's witches chanting (the inspiration to crime in the play "Macbeth"): "Fair is foul and foul is fair."

Some journalists have already ridiculed this new "Zionist dream". The Basel conference in which Theodor Herzl predicted the establishment of a state for "a people without land" on "a land without people" has repeated itself in the "Plaza" conference. Herein lies the joke. The choice of the word "Plaza", a suggestion from the word "Basel", inspires various ridiculous associations of meanings. If we remove the dot from above the letter "dad" in the phrase "military parade" [isti'rad becoming isti'ras, roughly meaning debauchery], for example, the meaning becomes completely different (excuse the vulgarity). The word advance [karr] becomes retreat [farr] if we only exchange one letter; and occupation [ihtilal] becomes disorder [ikhtilal] if we borrowed the dot from the letter "dad" mentioned above and placed it above the letter "ha". So how do we feel now that the world since "Herzl's dream" was recreated again and again, and the intifadah [uprising] has become our daily bread, while the Zionist dream stays with us as a strangling nightmare?

The "Plaza" conference, which was produced and directed by the followers of the fascist [fashi] (please do not drop the dot from above the "sh" letter [otherwise it would become "fasi", meaning noiseless wind breaking]) Kahane, received little attention from the media. When the papers reported on the conference they devoted little space to it and their reports were not totally void of astonishment and ridicule. This goes to prove the fact that the settlers, in terms of political weight and influence, have become a paper tiger in contrast with the popular uprising and its implications at all levels.

I do not here wish to belittle the dangerous character of the said beast insofar as its fascist actions are concerned, particularly since it survives on (and cannot live without) army protection and tremendous government financial support. What I mean to say is that the settlers, and particularly the extremists among them, have become politically weak and are about to fade away.

First, let us turn to the state of "Judaea".

First: Although the name brings back the memory of the division of the "entire Land of Israel" into two states (Judaea and Samaria), he who abridges history (whether scientific or mythological) and ignores its great lessons through thousands of years is not a "survivor", in other words he will inevitably vanish. Living in the past, especially in the distant past, is impossible. Whoever chooses to place himself in that period of time has no place in the present or in the future.

Second: The declaration of the state of "Judaea" suggests a revolt against the central authority in Israel, regardless of the moderate expressions the pioneers of the idea of "Judaea" used, such as that they will establish a state only in case the Israeli army withdraws and that they are putting forward this idea in order to urge the Israeli Government not to give up the heart of the State of Greater Israel. Putting aside the bloody actions to which "the sons of the State of Judaea" might resort, their mutiny, which is inspired by their own idea, will remain ink on paper. When Shamir, Arens, and Rabin are forced to bend before the new winds, the winds of uprising, and its various interactions, those who feed on the crumbs of their table will be scattered to the four winds of "Judaea".

Three: The newspaper 'AL HAMISHMAR was right when on 13 January 1989 it likened the pioneers of the idea of the state of "Judaea" to the French colonialists in the country of 1 million martyrs, Algeria. It said: "The settlers in the areas are more and more demonstrating the same qualities as those of the French colonialists in Algeria at the beginning of their quest to separate Algeria from their mother country in order to place it under their control."

The end of the French colonialists in France is well known. As for the end of the colonial settlers in the West Bank and Gaza, this is also well known.

Fourth: There is another matter that can be derived from the declaration of the state of "Judaea," if we set aside the comical aspect of this state. This is the fact that it signals the imminent establishment of the independent Palestinian state in the West Bank and Gaza. The settlers, from their oldest to their youngest, feel, just as the rest of the whole world feels, that a Palestinian state, as an actuality and a tangible fact on the ground, has become nearer than ever. This is exactly what prompts them to propose their "comic" state as a counter to a "PLO state", as they put it, or the independent Palestinian state that possesses all the qualities of a state.

Fifth: The above view is supported by the fact that the idea of the state of "Judaea" is in no way an original idea. This idea, that is devoid of any constituents for its application, and, indeed, has all the inherent constituents of its destruction, has come as a reaction to the Palestinian state. This is only one example of the fact that the Palestinian people, the uprising people, have taken the initiative in their hands. Reactions, whether in the form of declaration of a counter state or of devising new repressive plans, remain merely a reaction to a sweeping current.

In an article about the weakening of the settlers' position, Gide'on Samet said in HA'ARETZ on 18 January that the battle of colonial settlement which was a focal point and the center of great attention and in support of which thousands marched in demonstrations, finds only a handful of people to participate in its activities. After years of prosperity the movement has become "exhausted" and "finds itself isolated from its sources of power more than ever before. It has no men and the excessively large amounts of government funds that are being given to it are not being invested in the building of new settlements...and its rightist supporters have diminished."

Samet made no reference to the uprising's basic role in the new development, but such reference is being made daily in all the papers. Stone-throwing, for example, has turned the settlers' life into hell, as the YEDI'OT AHARONOT correspondent said on 18 January. The stifling political crisis whose effects have been reflected on the international scene and on the Israeli domestic scene has hit the body of the Israeli Government. So how could it not hit its settlement arm?

Whatever the case may be with the comic state of "Judaea", it spells danger that we should not ignore. The objective of the central idea, as we already said, is to desperately try to prevent the establishment of an independent Palestinian state. This idea is the common denominator between proponents of the idea and key government leaders, both Likud and Labor. Hence, herein lies the danger.

In the recent past the uprising witnessed an unprecedented bloody escalation that was evident in the killing and terror carried out by the settlers coupled with an escalation of the occupation's repressive measures. These measures recently found expression in the plan legalizing shedding the blood of every Palestinian demonstrator, blowing up homes, closing schools, opening more detention camps and so on. Official occupation repression increases the danger of the wounded settlement beast escaping.

The little difference between the "Basel" conference and "Plaza" conference says everything. The Zionist dream at the first conference has led to the Zionist nightmare at the second conference (on the West Bank and Gaza). The

state of "Judea" is no more than an ugly monstrosity, but the losing colonialist forces, especially in our present conditions, will remain a wounded beast capable of committing the unthinkable as long as the government, with its plan of escalating repression, is arching its back.

## EGYPT

### Defense Minister Opens Military City, Makes Statement

45040150b Cairo AL-AKHBAR in Arabic 9 Dec 88 p 4

[Excerpts] Field Marshal Muhammad 'Abd-al-Halim Abu-al-Ghazalah, deputy prime minister and minister of defense, asserted that peace without strength cannot last, but turns into surrender. He added that in order to maintain peace, we must be ready to fight, and this cannot be achieved unless we train, toil, and maintain our arms and equipment.

Field Marshal Abu-Ghazalah said that we live in a region that swarms with events, and many issues swirl around us, threatening our national security. He added that we must maintain the combat efficiency of the armed forces, because the men in them are the guardians of the country and of the entire Arab nation.

That came in a statement by Field Marshal Abu-Ghazalah yesterday in honor of Training Day for the forces of the Second Field Army. The field marshal also opened the second residential city for the Second Army in Wadi al-Mallak and held a meeting with the commanders and officers of the Second Army, and he reviewed everything pertaining to the armed forces and internal and foreign circumstances.

The residential city, designated for one of the formations of the Second Army, covers an area of 540 feddans. It cost 15 million pounds to build. The city was built by the armed forces Corps of Engineers. It contains 270 buildings, of which 9 are for officers, 32 are for housing the soldiers, and 7 are for teaching. It also includes a mosque and mess halls for the officers and men.

The city is provided with a complete network that includes 24 reservoirs for fire fighting; the water is supplied to it through the al-Ba'aluwah station at a capacity of 5000 cubic meters of water a day. It is furnished with an electrical network that cost 1.6 million pounds and a network of roads that cost 1.5 million pounds to build.

### A Third City

Major General Ahmad Wahdan, commander of the Second Army, announced that a third residential city is now being built in Wadi al-Mallak by the Corps of

Engineers and that there are two new cities that the Second Army is building by its own efforts, one of them east of the [Suez] Canal. He said that the goal of building these cities is to provide appropriate living quarters for the officers and men in order to raise their morale, which in turn raises their combat efficiency.

The opening was attended by Engineer Mahir Abazah, the minister of electricity and energy; Dr Mahmud Sharif, governor of al-Sharqiyah; and Major General Hasan Kazim, director of security; in addition, Major General Tahsin Shanan, governor of the Governorate of Suez, attended the celebration of Training Day. The celebrations were attended by Lieutenant General Safiy-al-Din Abu-Shannaf, the chief of staff; Lieutenant General Mustafa al-Shadhili, commander of the air defense forces; Major General Kamal Mansur, assistant defense minister; Major General 'Adil al-Qadi, head of the training corps; and a number of senior officers of the armed forces. [passage omitted]

### Thirteen Draft Projects

Then Brigadier General Rida Farid, head of the training section in the Second Army, gave a statement in which he reviewed the activities of the army forces during the past training year. They included 13 draft projects, 24 projects for the command centers, 5 tactical firing projects, and 127 tactical firing projects at the battalion level, as well as 15 working papers at the level of the Second Army, 245 working papers at the level of the formations, in addition to 4 working papers at the armed forces level. The Second Army also took part in 33 competitions held by the armed forces and took first place in 22 of those competitions. That shows the extent of the combat efficiency of the members of the Second Army during the training year. [passage omitted]

### Information Minister Defines 1989's Three Main Problems

45040169a Cairo AL-JUMHURIYAH in Arabic  
1 Jan 88 p 8

[Article by Fikri Kamun]

[Text] In a special statement to AL-JUMHURIYAH, Minister of Information Safwat al-Sharif announced that he has determined 3 main problems which will be the focus of information efforts in 1989: the phenomenon of extremism, the spread of drugs, and the population increase. He added that he held a number of meetings during the past week to discuss these problems with television media leaders of Channel 1, as it is Egypt's main station and the mirror of television. He also met with leaders in the areas of dramatic productions, news, and political affairs, and will hold similar meetings this week with leaders of Channel 2, broadcast engineering, and the Information Authority.

### **The Phenomenon of Extremism**

The minister requested that media leaders work to confront extremism and mobilize society to oppose it by airing the views of clerics, specialists, and ordinary citizens in order to besiege the extremist minority which has adopted violence as a means to threaten society. He stated that the media must pursue all means to raise consciousness against extremism, inasmuch as it is a behavioral, social and educational phenomena.

### **Drugs**

The minister stated that drugs threaten the youth of the nation and have a dangerous impact on Egypt's economy. He added that their spread impedes Egypt's construction and production plan. Therefore, he requested that the media lead a number of intensive information campaigns with the goal of protecting youth, raising society's consciousness, and identifying the role of the family and state institutions in protecting against the spread of drugs.

### **Population Increase**

The minister spoke of the problem of the increase in population and indicated that, in the past, the media was able to make citizens understand the problem. In the next phase, the media will saturate the public and thereby bring about a change in behavior. This will be accomplished by treating the population problem from its different health, social, and economic angles.

Al-Sharif stated that the new year will witness the development of news broadcasts, information programs, dramatic productions, children's programs and commercials. Also, the nature of the work of the station announcer will be developed.

### **Cleaning Up Programs**

In his meeting with the leaders of Channel 1, Safwat al-Sharif requested that Channel 1 develop and review the series and programs it will offer in all areas during the new season. He also ordered that programs and films be purged of scenes of violence and vulgarity. It was also decided to broadcast the following programs twice weekly on Saturday: The Health and Cultural Magazine, Riches in Half an Hour and On the Road. In addition, it was decided to extend the open day from 1300 to 1400 on Thursday.

### **New News Broadcast**

The minister ordered an increase in the amount of time devoted to children's programs on Channel 1. In this regard, a new program for children will be broadcast in the evening before their bedtime, the current children's news broadcast will be developed, and another news broadcast for children will be offered that will include a segment for disabled children in sign language.

Al-Sharif stated that when he stopped commercials, his desire was to formulate clear rules separating information programs from regular programs, or advertising from information, so that advertising is employed in specific programs in a clear manner precluding any type of confusion or misunderstanding.

He stated that he discussed a drama production plan and the reformation of the higher committee for drama in his meetings with leaders in the area of television film production and video production (performance series and programs), and that he ordered the implementation of a number of points, including the following:

- That only works with clear goals treating social, economic, and behavioral issues be produced.
- That a balance be achieved between the production of dramatic works of all types—social, entertainment, or adventure.
- That series dealing with social problems should do so in a way that engenders hope and raises morale. In this respect, al-Sharif pointed to the series "Love and the Patient," which critics have unanimously agreed is bad, and stated that he ordered that long segments contained in recent parts of the series be edited for broadcast.

The minister ordered that the next plan include an increase in the dose of comedy works in accordance with the nature of Egyptian society, which rejects gloom.

Regarding television films, the minister of information reviewed what has been implemented, as well as the new production plan. He also discussed problems hindering the better operation of the studios.

### **The Development of News Shows**

Al-Sharif stated that in his meeting with leaders in the areas of news and political affairs, he ordered the development of the format and background of different news programs in Arabic, English, and French. He also ordered the implementation of a number of points:

- That the most important local and world news be presented in the first broadcast and that news cameras be taken out to the streets and sites of events to provide live and immediate coverage.

Safwat al-Sharif indicated that inasmuch as Cairo has its own local television channel which is especially concerned with the city, more air time on news broadcasts will be devoted to news pertaining to governorates which do not have local radio or television stations. At the same time, important news originating in those governorates which do have local radio or television stations will not be neglected. In other words, a balance will be sought between what is offered by local radio and television stations and what is offered by the central television station.

**President's Information Secretary Discusses  
Current Policies**

45040223 Cairo AL-JUMHURIYAH in Arabic  
1 Feb 89 pp 3, 11

[Article: "Dr Mustafa al-Fiqi and Egypt's Arab Role; Egypt Returns to Its Nation With New Ideas: Democracy, New Method of Government"]

[Text] How did Dr Mustafa al-Fiqi, the president's information secretary, manage to reconcile the inviolability, imperviousness, and secrecy which are the requirements for his situation and position, with his nature as a man of uninhibited views and ideas? How did he manage to do that when he communicated with his audience at the Book Fair and answered their questions?

How did he manage to control the rhythm of ideas and independent interpretations which appeared to flow freely with no impediments or restraints?

How did he manage to reconcile the discipline that comes from having a sense of responsibility and commitment to his position and a conscious awareness of what it takes to be in his situation with the precise knowledge of what is required to have the standing of an intellectual and a scholar? How did he survive the minefield of lecturing at the Book Forum for 3 or more hours and answering questions after that? How did he manage to do that? How did he go through it?

I think this is Mustafa al-Fiqi's secret. It is his passport and the reason why he stands out and distinguishes himself.

Being in the situation he is in and holding the position he holds, Dr al-Fiqi serves as a keeper of secrets and a warehouse superintendent. He guards and keeps the keys to confidential as well as known information, decisions, and secrets.

He is by nature and constitution a reader. As a student, researcher, and political scholar, he devours the ideas and knowledge he finds in books.

He is also a popular man, open to people and uninhibited. He knows how to talk to people, and he is thoroughly familiar with the principles of dialogue.

Dr Mustafa al-Fiqi spoke at the Book Fair about Egypt's Arab character and its future role in the Arab region. His lecture, which was open and candid, blended the use of a fertile imagination with knowledge that was precise and broad. Dr al-Fiqi encouraged the audience to ask questions which demonstrated the same level of candor and understanding [he manifested in his lecture]. But that candor turned the questions into minefields which instead of intimidating the lecturer, motivated him to rise to the challenge and awakened his wit and presence of mind.

This is what the lecturer had to say about the main topic of the lecture, Egypt's Arab character and its future role in the Arab region: "The issue of Egypt's Arab character has been settled. It is no longer the subject of controversy or debate. Egypt's Arab role, which has been continuous, confirms its affiliation with the Arabs throughout history. Egypt never stopped playing its Arab role even when it was subjected to pressure and when its role was cut down.

"Egypt publicly embraced Islam and the Arabic language since the Islamic conquest of Egypt, and Egypt's Copts agreed to conduct prayer services in Arabic in their churches ever since the Fatimid age. There is no doubt that language is a fundamental factor and a standard measure for determining identity. Anyone whose first language is Arabic is an Arab. That is why most thinkers believe that culture and language are the most important standards for determining ethnicity.

"Egypt accepted the Arabic language and adopted it as its own. It accepted Islam and adopted it as its religion. It built its noble al-Azhar more than 1,000 years ago to protect its language, its true Islam and its Arab, Islamic heritage. In this regard Egypt made tremendous and obvious contributions which are well-known and by no means undervalued. And Egypt continues, even today, to play this distinguished role which it has been playing since the Islamic conquest."

**Egypt and National Security**

"The role Egypt played to protect national, Arab security has been continuous and significant. Egypt took a stand against the Tatars and the Christians, and it opposed western colonialism in the modern age. This role which Egypt has been playing to protect and defend national, Arab security is a role it must play. It is Egypt's destiny to play that role. Since no one is assigning Egypt to that role, no one can take it away from her. This role is Egypt's fate and its destiny. It is not a tactic and it is not a phase. For Egypt, the role of protecting national, Arab security is a permanent role."

**The Role and the Years of Estrangement**

"The question which confirms the point I am making is this: Did Egypt do an inadequate job in performing its role during the years of its estrangement from the Arabs?

"Egypt faced estrangement from the Arabs during the past 10 years because it took an approach and employed a rationale in dealing with the national problem that the vast majority of Arab countries found unacceptable. Egypt's approach and rationale came early, ahead of their time. Egypt's estrangement from the Arabs took on many forms. It was actually reflected in numerous practices, some of which even involved the harassment of Egypt in international organizations to keep it out of these organizations or to have its membership in them frozen. But Egypt never turned its back on its national,

Arab feelings. Egypt always felt that the situation was temporary and would not last. Egypt realized with its sensibilities and its reason that this Arab position was the result of major international and regional shifts and changes. It realized that in times of change rejection would be the first reaction to changes that are made in balances and ideas. Fortunately, Egypt is bound to the Arab nation by culture, religion, and historic fraternity. Despite the estrangement, this permanent bond did not permit the disputes to become more intense."

### **Changes and Choices**

"Although it was Egypt's opinion that developments in the world and in the region had dictated its position and the choice it had to make at an early time, it did not permit any other commitment to prevail over its solid, Arab commitment."

### **What We Offer Today**

Once again the lecturer asked, "Today, Egypt is reclaiming its role and its position in the Arab world. Having always offered something that was new, what does Egypt have to offer its world this time?"

Dr al-Fiqi answered the question he himself raised by saying, "With the Islamic conquest Egypt accepted Islam as its religion and the Arabic language as its language. At the same time other ancient ethnic groups and nations in the area accepted True Islam but rejected the Arabic language. When Egypt accepted Islam and Arabic, it started establishing institutions to preserve and protect the religion and the language. It also provided the model for a kind of "political rebellion" that adheres to the principles and precepts of True Islam, a model that could anticipate change and act before others to identify the early signs of changes and shifts before they occur and then set them forth before others."

### **Muhammad 'Ali and Political Rebellion**

"Muhammad 'Ali Pasha, who tried to build modern Egypt, provided the model for this 'political rebellion,' the rebellion against the Ottoman state. When he made Egypt's role effective, he advanced that role in the Arab region. I would like to make it clear here that although the slogan, 'Egypt for Egyptians,' which was proclaimed early in this century, may appear chauvinistic, it was actually never intended to show hostility to Arab national thought. It was never intended to indicate anything that was anti-Arab or a tendency to be separate from the Arab world. This slogan was proclaimed as a statement against foreign western colonialism. It called for the elimination of western colonialism and all its trappings.

"The multiple facets of Egyptian identity—Egyptian, Arab, Islamic, African and Mediterranean—permitted the Arab cultural tide to prevail and to prosper. Egypt's

affiliation with the Arabs, and the Islamic implications of that affiliation, gave Egypt its value in the region. The multiple facets of Egypt's identity is part of its genius.

"But let us go back to the question which asks, what does Egypt have to offer today? Egypt is no longer the richest Arab country. The burdens of war and military and political confrontations which it had to bear during the past four decades were quite heavy, and the years which Egypt went through with 'Abd-al-Nasir, exerting itself in fighting daring battles, affected income levels.

"But that raises the following question: Does all the foregoing take anything away from Egypt's leadership and its role? The answer to that question is negative, of course. Egypt is a leader, and it continues to be a leader, and the signs of its leadership exist and are being felt. One of the most important ingredients and factors of Egypt's leadership is its population density. But that is not only a matter of quantity, it is also a matter of quality. In the final analysis, it is the human factor and its distinguishing characteristics that determine the identity and the role of the place.

"Egypt has always been a leader. It was the first to introduce the subway on its land, and it was the first to build two opera houses in 2 centuries. Egypt was the first to win a Nobel Prize for Literature, and it was also the first to build advanced civilian and military industries. Let me repeat here that I know and we all know that other Arab countries have been and still are centers for civilization and progress. But I do want to say that we are starting new projects and initiating actions and we will continue to do so."

### **Democracy and the Method of Government**

"Now we come to the subject which deals with the new outlook that Egypt can offer its Arab world today. What is that new outlook? Arab citizens have endured a great deal from oppression and from being ruled by one man or a few men. Today, Arab citizens can see that Egypt, the largest Arab country, has multiple parties and freedom of speech. This is the new addition which Egypt brings to its world and its nation today. Egypt, a giving country, is making progress with its experiment in democracy. It is making progress with its ongoing dialogue and with its new method of government.

"I am not offering propaganda here, nor am I claiming that everything is perfect or that we have reached the standard achieved by countries which have been practicing democracy for a long time. At the same time we must know that Egypt's experiment with democracy is no easy matter. We must remember that the word "no" was not in our vocabulary. No one could say no. No citizen could say it, and no ruler would hear it. This is what is new, and this is what I bring back to the nation. We must know that democracy is contagious, and we must know it is indivisible. Democracy involves freedom of expression, freedom for the press, and freedom for political

parties. Egypt started providing broad protection for human freedom, and the waves of extremism were not able to do harm to the attention it devoted to that issue.

"Extremism is a phenomenon that is universal in nature. It is more the product of alienation from one's time than alienation from one's place. A person who is thus alienated from his own time, fails to see himself in it and finds himself renouncing it. The origins of extremism are essentially political, economic, and social. Opportunities for dialogue must be created to deal with it. And although Egypt may have opened the door to this newcomer, which is extremism, it must be recognized that, on the other hand, Egypt has also achieved in recent years a political maturity and a realism which are clearly reflected in its foreign policy. Egypt gained a profound understanding of regional and international changes, and it was able to steer the Arab-Israeli conflict and put it on the right track. Egypt did that and met all its Arab obligations. In all the disputes which threatened the Arab nation and Arab countries, Egypt took a stand and defended the Arab nation. That is why Egypt is coming back to its nation with something new to offer."

#### The Arab al-Sadat

"Although much was said about Egypt's Arab character during President al-Sadat's administration because of Egypt's estrangement from the Arabs, I do not believe that President al-Sadat was anti-Arab. Nor can I imagine something like that. Quite the contrary. Al-Sadat acted in accordance with a certain political view, and he was convinced that in time others would come to believe that he did the right thing. Although it appeared shocking at the time, what al-Sadat did was an independent Arab effort. Al-Sadat took an independent action, in the Arab context, to solve a problem that had become complex, a problem whose international and regional implications had become entangled and confusing. Today, our fellow Arabs are more realistic: They are more in touch with the facts of the age; and they have a greater understanding of what it takes to have unity. And the Arab nation is the nation that has most of what it takes to have this unity."

#### Realism and Time

"The time has come for us, the Arabs, to think wisely and realistically and to understand changes. What we and other fellow Arabs are offering is a model for industrial progress. We are offering progress in manufacturing weapons to guarantee political independence and to protect our free will. Such progress would confirm that the nation has taken the first step on its journey. He who does not own and does not manufacture his own weapons is not free, and he who does not own and does not grow his own food is not free.

"Let me go back to Egypt's experiment in democracy, and let me say that no other ruler before Mubarak permitted the kind of democracy which Mubarak permitted. No other ruler before Mubarak chose for his

government the method which Mubarak chose for his. Mubarak, who demonstrated farsightedness in making his choice, was liberal in practicing democracy. That is why political democracy in Egypt continued and survived despite all obstacles. That is why Egypt is coming back with something new. Egypt, the agent of equilibrium in the Arab world, realizes that Arab relations have to be based on realistic, objective bases and that emotions have no place in these relations. The time for the idea of a national hero is gone. We realize that those who were involved in the 1840 London Agreement which put an end to Muhammad 'Ali's modern state are the same people who dealt Egypt a blow on 5 June 1967. At any rate, the future and the coming days will confirm that the Arabs have become more realistic and have developed a greater understanding of changes.

"I will now take your questions."

#### The Political Decision

[Question] How are political decisions made in Egypt now?

[al-Fiqi] As much objectivity as possible is relied upon in making political decisions in Egypt. Making a decision involves having precise and accurate information drawn from multiple sources and having an in-depth view. The information is analyzed and the given facts about the decision are then presented to the president, who does not impose his opinion and accepts dialogue because he feels he is a [fallible] human being. Actually, what we have is a ruler who does not claim to be inspired. That is why decisions are made with a considerable measure of wisdom and clarity.

[Question] Don't you think that our democracy is limited to freedom of speech and that it does not allow us to participate?

[al-Fiqi] We must not minimize the importance of freedom of speech to that extent. Freedom of speech is the major first step in the process of democratic change. I fault the opposition for not seizing the opportunity to speak freely. The programs that opposition parties outlined are all similar. They start out by playing up to the religious tendency, and they follow that by rash talk about Arabism. But no political party has created its own distinguishing marks and views, and none has created its own clear personality. Unfortunately, political parties have been satisfied with newspapers which have become one and the same as political parties. For mainstream Egyptians, political parties do not exist. The crisis, in my opinion, is a crisis of programs for political parties.

#### Taba and Egyptian Territory

[Question] What is happening about Taba?

[al-Fiqi] Egypt proved that it can use all methods to regain its territory. It used war in 1973, negotiations in Camp David, and international arbitration in Taba. Israel is cunning by nature, and it wants to get something out of this. But Egyptian sovereignty over Taba is not debatable. At any rate, the situation has eased somewhat regarding the talks on procedures, but Egypt is making absolutely no concessions.

[Question] How can you speak about the freedom to make decisions when American aid is so large?

[al-Fiqi] This is a matter of give and take. Egypt needs the aid, and the United States wants stability in Egypt. In fact, stability in Egypt serves U.S. interests. At the same time there are significant differences between the two countries, and we saw those differences manifested in the airplane accident and when many American demands were rejected. We have to understand that Egypt is a key state in the region and that it has an immediate effect on all conditions. At any rate, the aid is something that involves a phase we're going through.

#### **Our Relations With Syria**

[Question] What is the status of [our] relations with Syria?

[al-Fiqi] Egypt does not accept conditions from anyone. As far as we are concerned, there is nothing between us and Syria. But we are not seeking relations with anyone, nor are we asking anyone to restore relations with us. We remain committed to our national obligations, and we have closed no doors to Damascus. The Syrians, however, look at things from a narrow, regional perspective, but we look at them from a comprehensive, national one.

[Question] Don't you think that the creative political imagination gets stifled when we put too much emphasis on political realism?

[al-Fiqi] On the contrary, imagination is the key to change and innovation. It is the source of creativity. The fact that imagination has given birth to the great ideas of history does not mean that it is incompatible with realism.

#### **Mubarak, al-Sadat, 'Abd-al-Nasir**

[Question] What is the difference between Mubarak, al-Sadat and 'Abd-al-Nasir?

[al-Fiqi] Regardless of the facts, the basic factors and the suffering, 'Abd-al-Nasir was a legendary, national hero. Al-Sadat was a more realistic man. He realized that he was no 'Abd-al-Nasir, but he knew what he wanted. That is why his actions were consistent with his ideas. His vision was clear, and so national interests were given priority over what we might call national dignity. Mubarak, however, inherited a burdensome legacy. National independence was incomplete and threatened; security

was unstable; and the head of state had been assassinated. This situation and others forced President Mubarak to be very cautious in dealing with matters. He had to effect a historic, national reconciliation, and he succeeded. He had to reconcile with the Arabs, and he succeeded in doing that. He did not permit himself to launch a campaign against his two predecessors, 'Abd-al-Nasir and al-Sadat. He declared himself an arbitrator between Egypt's political forces, and he realized from the outset that Egypt's collapse would signify the collapse of the region.

President Mubarak managed all that with tact, caution, and finesse. On the domestic front he pursued sensible policies when he set the open-door policy on the proper course, when he set in motion an industrial boom, and when he established democracy. That is why no one can consider Mubarak an extension of 'Abd-al-Nasir or an extension of al-Sadat. Each historic period has its own given facts, and Mubarak is most definitely different from his predecessors.

[Question] Where do young people stand in Egypt's political life? Where is the youth organization?

[al-Fiqi] There are different points of view on this subject. Today, we have multiple parties, and each party has its own component of young members. Should we establish a national organization for young people, or should each political party be left to make its decision?

#### **Arab Unity**

[Question] Why are we backing out of the call for Arab unity?

[al-Fiqi] We cannot have unity by overlooking the facts or by emotions alone. We now have the Arab League, and we have three organizations: the Gulf Cooperation Council, the Maghreb Federation, and the four-member grouping which includes Egypt, Jordan, Iraq and Sanaa. Thorough studies on the concept of unity are now being conducted. We oppose the notion of alliances, but we support that of coordinating and integrating economic resources and efforts.

[Question] When will a Palestinian state be established? When he delivered his lecture here, Haykal thought that establishing a Palestinian state was unlikely, but Lutfi al-Khuli thought it was inevitable. What do you think?

[al-Fiqi] The uprising [intifadah] was a decisive factor in every change that occurred. It is my opinion that many positive things did occur: King Husayn's decisions to break ties, the U.S.-Palestinian dialogue, the PNC [Palestine National Council] resolutions, and the European position.

### Corruption and Dealing with Corruption

[Question] Why doesn't the state do something about corruption among leaders?

[al-Fiqi] It was the state that exposed all the corruption cases, and it was the government that dealt with them firmly. Mubarak does not cover up mistakes, and he does not protect corruption. But the president refuses to have people censured on the basis of rumors. He rejects political condemnation, but he accepts legal condemnation because it achieves justice and guarantees it.

### The Opposition and Solutions

[Question] Why does the government reject solutions to problems which are proposed by the opposition?

[al-Fiqi] That is not true. Opposition parties have to stop using this continuous accusatory approach and to propose solutions to problems. If sound solutions are proposed, they would be accepted immediately. The president did invite the opposition to participate in proposing solutions to the question of subsidies and to other questions.

### The Four-Member Grouping and Alliances

[Question] Is the four-member grouping an alternative to the Arab League, or is it a new alliance?

[al-Fiqi] Our return to the Arab League, which is an institution that we care about, is now almost a foregone conclusion. But the grouping is not an alliance. It is an evolutionary phase of a situation in which our ties with the three countries are maintained by joint supreme committees.

[Question] What is the situation regarding investing funds and the rights of depositors?

[al-Fiqi] This is a tragic and painful situation, especially in our economic circumstances. A complete inventory is now being taken of the property held by companies in the country and abroad. Everyone who is entitled to something should get what he is entitled to.

### The Secular Approach and Democracy

[Question] You said in your book that the secular approach would provide the remedy for sectarianism in Egypt. What did you mean by that?

[al-Fiqi] It is obvious that you did not read the book. What you read was a comment on the book by one writer. I did not say that in my book. The issue is that the nation is one fabric. Freedom enriches national unity and makes it flourish, and democracy provides the real setting for a country's unity.

### Government in Exile

[Question] Had the Palestinians accepted Egypt's suggestions, would that have provided a settlement to that question once and for all?

[al-Fiqi] In politics there is a time for everything. Had the Palestinians declared in 1978 the position they declared today, nothing could have possibly been achieved. Changes in the region have brought about many things: The invasion of Lebanon failed; the Iranian Revolution [erupted]; the Iraq-Iran War broke out; the uprising took place; and the international climate [changed]. All these changes indicate that this position which the Palestinians took now is one they could not have taken before. Making such arbitrary assumptions is not a sign of knowledge, but it is an indication of a vapid imagination.

### A Redundant Story Entitled Burdensome Legacy

[Question] You said that President Mubarak inherited a burdensome legacy. When President 'Abd-al-Nasir took office, we remember him saying the same thing. Then when President al-Sadat became president, he too said the same thing. What is going on?

[al-Fiqi] This is what a superficial comparison or contrast of these people would show. But let us go back to 6 October 1981. When President Mubarak took office on 14 October 1981, the situation looked tragic. The president had been assassinated; relations between Egypt and the Arab countries were frozen; radicals had killed 140 officers and soldiers in Asyut; and Israel was wavering about withdrawing [from Egyptian territory]. This was a complicated and burdensome legacy in every sense of the word. The outlook was blurred, and stability was threatened. And Egypt's stability is the secret of its strength.

That is why we say that the situation which the president inherited was truly burdensome. That is why we say that he managed to steer the ship of state wisely despite the storms he encountered.

### Minister Discusses Status of Scientific Research 45040222C Cairo AL-AKHBAR in Arabic 29 Jan 89 p 4

[Interview with Dr 'Adil 'Izz, minister of state for scientific research, by Sayyid al-Jabarti; date and place of interview not specified]

[Excerpts] We are always talking about linkage between scientific research and development, but what is the role played by our army of scientists in the development plan? What are our scientists doing in the confrontation against the enemies of reason and those who oppose the supremacy of scientific thought? What are they doing to protect the bodies of Egyptian citizens from secret biological warfare? What actions are they taking against attempts that are being made to turn the Third World into a dumping ground for nuclear wastes and a field for

experiments that are conducted by chemical pesticides companies? These pesticides are destroying man's health and the health of the planet. Where are our scientists' scientific efforts, and where are the projects that will put our people on the threshold of the space age, the age of satellites and the age of genetic engineering? There are 12 years left before we come to the year 2000. What are our scientists doing, now that the state has given them the highest level of material and moral care as well as liberties?

Our lengthy interview with Dr 'Adil 'Izz, the minister of state for scientific research, was conducted to shed light on these vital issues.

The minister had reservations early in the interview about answering the first question we asked. That question was about how much money was spent per capita on scientific research since that was the only measure which can be used to determine the extent of the state's interest in scientific research.

Statistics from the seventies indicate that in the United States the amount of money spent on scientific research per capita was \$114; in socialist countries it was \$111; and in developing countries it was \$1.00. In Egypt that amount was \$2.2.

It is the minister's point of view—and he is right—that the cost of scientific research in the United States represents many times the cost of scientific research in Egypt. Accordingly, what can be accomplished for \$1 million in a country like Egypt cannot be accomplished for the same amount in an advanced country like the United States.

#### **Raising Researchers' Salaries**

[AL-AKHBAR] What then are the other standards which can be used to measure the state's interest in scientific research?

['Izz] The state allocated 115 million pounds for scientific research in the next 5-Year Plan (1987-1992). This is above and beyond what is provided through foreign aid and contractual agreements which are made between scientific research agencies and various production and service sectors. As a developing country we consider this [level of] spending reasonable. What matters is that we get the maximum return from it.

The president is interested in scientific research. He visited the National Center for Research twice to find out for himself what efforts are being made there.

Meeting researchers' financial demands and raising their material standards [are important to the president]. The Executive Order for the National Center for Research, establishing equality between university professors and

their colleagues at the center was issued by presidential decree. Presidential decrees for the six small centers are in the process of being issued.

#### **509 of Top Graduates Commissioned**

Dr 'Adil 'Izz adds enthusiastically, "One of the manifestations of the state's interest in scientific research is the fact that the top 509 university graduates have been commissioned to work in the various areas of research. They will be groomed to become the nucleus of the scientists for the future. These people have actually been assigned to the various centers, each according to his qualifications and his area of specialization."

[AL-AKHBAR] But is this interest on the part of society in developing this scientific resource met by an interest on the part of the scientific community to link its scientific activity with developing the people's economy and services for the people? [passage omitted]

#### **'Our Guts Are Not Fair Game'**

[AL-AKHBAR] There is a book that one can buy which talks about scientific espionage in the name of scientific cooperation. It talks about organizations which have a scientific front and also close relations with foreign security agencies. Every now and then opposition newspapers state that Egypt's guts are being treated as fair game by foreign scientific research activities which are conducted without any controls. Are our scientific research agencies aware of that?

['Izz] I would like to affirm to everyone that in spite of the openness we have in our scientific activities and in spite of the scientific cooperation we have with specialized countries and scientific organizations, Egypt's guts are not being treated as fair game.

No agency and no one can take from us what we do not wish to give away. Our scientists and our agencies are highly vigilant, and their national and scientific awareness in such matters is high. Everything is subjected to national considerations, to the supreme interests of society and to [the requirements for] protecting our people.

#### **Germ Warfare and Waste Materials**

[AL-AKHBAR] We are also trying to protect the scientific environment as well as man's mental progress. We are trying to protect society's guts from scientific espionage. Do we have a clear, scientific research policy on man's natural environment and on protecting man's life from the dangers of pollution and nuclear radiation? Do we have a clear policy for dealing with the merchants of nuclear waste and the companies that manufacture chemical pesticides and their attempts to destroy the environment and man?

Because the question is an important one the minister's reply was relatively lengthy. Dr 'Adil 'Izz said, "The president, the government and the people of Egypt will not permit such dangers.

"No pollution is allowed near us or at some distance from us. Any leakage of radioactive materials is prohibited.

"No one is allowed to approach our shores to dump nuclear wastes there."

The minister of state for scientific research made it very clear that President Husni Mubarak, the government and all agencies [in the country] were being extremely strict in surrounding our people and our land with a security zone to protect them from such dangers.

"The Ministry of Health and all the scientists at the Scientific Research Academy are standing guard and watching vigilantly to take action against these dangers."

[AL-AKHBAR] Scientists have been warning for a long time against the excessive use of chemical pesticides in fields and homes. In spite of their warnings man continues to use these pesticides even though these substances are dangerous to the environment and to man's health. The material strength of these companies is greater than ours, and what they say has more impact than what we say since their advertisements appear in the media every day. What resources do scientists have against these weapons?

['Izz] They have the Ministry of Scientific Research which has the authority, through the Council of Ministers, to issue an executive decree that is backed by knowledge. That is more powerful because such a decree would be truthful and would serve the people's interests.

[AL-AKHBAR] What specifically are you suggesting?

['Izz] I am suggesting that there be a ban on the use of dangerous substances or at least on advertising such substances, as long as science affirms they are dangerous to man's health and to the well-being of the land in Egypt.

#### An Arab Satellite

Although the minister had important appointments to keep, the interview with him lasted over 1 hour. But he allowed me to ask one final question as he collected his papers and got ready to leave.

[AL-AKHBAR] The year 2000 is approaching and the threat of alienation is imminent everywhere in the universe. Can we dream of having a satellite that can carry us to the threshold of the space age and the age of genetic engineering?

['Izz] Let me say unequivocally that such advanced scientific research requires "collective" Arab cooperation. Bilateral agreements for scientific research have

been made with Kuwait, Iraq, Jordan, the Kingdom of Saudi Arabia, and Morocco. Although this is a step toward achieving Arab scientific strength, it is not enough. We have to move into the stage of making a collective Arab agreement on advanced scientific research. I am calling upon Arab scientists and inviting them to hold an Arab scientific forum in any Arab country where they can discuss how collective cooperation is to be achieved in such advanced research activities which require tremendous financial and human resources. Egypt has the distinguished scientific personnel that can turn this Arab dream into reality, and Arab circumstances now are more suitable for the realization of this dream.

[AL-AKHBAR] I collected my papers, and I left.

#### Wafd Party Elects Secretary General, Vice Presidents

45000110 Cairo AL-AKHBAR in Arabic 16 Jan 89 p 6

[Text] The general assembly of the Wafd Party met and elected by secret ballot Ibrahim Faraj as secretary general of the party and Ahmad Abazah, Dr Nu'man Jum'ah, and 'Abd-al-Hamid Hashish as party vice presidents.

#### New Party Applications Cause Controversy

45040251 London AL-TADAMUN in Arabic  
13 Mar 89 p 17

[Article by 'Adil al-Jawjari]

[Text] Cairo—Because the Egyptian party plurality has not absorbed all the political currents reflecting the social development undergone by Egypt since the mid-1970's, the Consultative Council's Parties Committee has been receiving applications for forming new parties for years.

Even though the Administrative Judiciary Court has reserved its judgment on the cases of the Nasirist Party and the Young Egypt [Misr al-Fatat] Party until the session which this court is scheduled to hold on 18 March—in which it will announce its decision—the Parties Committee received within a short period two applications for forming two new parties. The first is the Democratic Communist Party and the second is the Social Peace and Preservation of National Unity Party, which has aroused political clamor because the applicants to found the party, numbering 50, are all Copts. Meanwhile, the application for founding the Democratic Communist Party has aroused different clamor, particularly among the Egyptian Marxist circles who have viewed the matter as propaganda or as a joke because the Parties Law stipulates that no parties may be founded on a class basis or a sectarian basis. This confirms that the Communist and Coptic parties will not get the Parties

Committee's approval, especially since the committee previously rejected foundation of the Islamic Awakening Party for which Shaykh Yusuf al-Badri, a People's Assembly member, had applied, basing its rejection on the grounds that the party is religious. The committee also rejected foundation of the Green Party, applied for by Dr Jalal Rajab, on the pretext that all the Egyptian parties with their various factions call for protecting the environment and fighting pollution. This is the main principle for which the Green Party has emerged, or has tried to emerge.

In any event, the Social Peace and Preservation of National Unity Party has submitted its papers to the Parties Committee, and the socialist public prosecutor has published the names of its founders, all of them Copts, in the press. However, this party has met broad opposition from the Copts themselves. Pope Shinudah III has stressed that he rejects the presence of a Christian party and has emphasized the lines that separate "nationalism"—and participation in all forms of nationalism—from politics in its narrow partisan sense. A number of Coptic writers have also opposed the phenomenon of a Christian party, stressing that the homeland is for all and the church is for the Copts. This is not the first time some Copts have tried to form a Christian party. The first Christian party emerged in the late 1940's under the name of the Christian Democratic Party and the leadership of Lawyer Ramsis Jabrawi. Historical documents prove that this party was loyal to the British and the palace.

The second endeavor was not a party in the acknowledged sense but a society which carried the name of the Coptic Nation Community. It emerged in October 1952 under the leadership of Lawyer Ibrahim Fahmi Hilal. In 1954, Hilal, along with five other Christian youths, stormed the Orthodox Coptic Patriarchate and dictated an abdication statement ordering the Holy Council and the Community Council to meet and prepare for new papal elections. His objective was to depose Anba Yusab who opposed sectarianism.

The Coptic Nation Community ended the way the Christian Democratic Party had previously ended. Under 'Abd-al-Nasir's administration, Egypt saw no Coptic attempts to form groups or parties. Moreover, no sectarian tendencies were stirred on the Egyptian scene. But with the intense political and social changes and with the emergence and proliferation of the Islamic groups by the mid-1970's, Coptic groups and individuals surfaced by the late 1970's, demanding a vessel through which to express their ideas and their opinions. Given that they—that is, the Copts—are a genuine part of the nation, it is logical that they would be present in all the political parties and currents without confining themselves to a Coptic party that combines within its folds the right, the left and all the conflicting social segments. This is why observers do not expect the Social Peace and Preservation of National Unity Party to see the light. The same applies, though the details differ, to the

Democratic Communist Party whose foundation has been advocated by Zahir al-Badri, one of the Egyptian communist movement's cadres. According to leftist struggler Nabil al-Hilali, the parties law rejects the foundation of parties on a class basis. Since the experiment of the Egyptian Communist Party, which included Salamah Musa, Muhammad 'Abdullah 'Anan, Shaykh Safwan Abu-al-Fath, Husni al-'Arabi, Antoine Marun and Shaykh 'Abd-al-Latif Bakhit, was foiled and the party was abolished in 1924, Egypt's successive constitutions have banned the foundation of religious and class parties. Consequently, the communist parties have resorted to underground activity. They have suffered from the security authorities' pursuit, as they have suffered from mutual splits and accusations, which are the historically well-known maladies of underground organizations.

What remains is that the administrative judiciary will render its decision on the Nasirist Party case on the 18th of this month of March. Many believe that this party will restore balance to the Egyptian scene, arguing that the popular current which achieved and defended the July 1952 Revolution's accomplishments should be organized in a political party and should not be diverted to the Islamic groups, especially the radical ones, which have proven their ability to maneuver and proliferate and, consequently, to face a decisive battle with the Egyptian security authorities. Considering that security alone cannot settle political affairs and that argument for argument is a political logic which has proven that it is fit and effective, the emergence of a Nasirist party will be met with strong opposition, not only from the government but also from the Islamic groups and from the Wafd Party that has been engaged in a long conflict with the 23 July Revolution. However, many are wagering on the Nasirist Party and it seems that the government will not oppose its emergence, especially under the tense political and social conditions prevailing at present.

#### [Box, p 17] Socialist Public Prosecutor

In application of the provisions of Article 8 of Law No 40 of 1977, amended by Law No 30 of 1981 concerning the political parties system, the socialist public prosecutor announces that he has received a notification from the chairman of the Political Parties' Affairs Committee containing the names of the founders of a new party named the Social Peace and Preservation of National Unity Party. They are:

#### Workers and Peasants:

1. Da'ud Sulayman Shinudah
2. Munir 'Adli Musa
3. Muna Fawzi 'Abd-al-Baqi
4. Samirah Salib 'Abd-al-Shahid
5. Thurayya 'Aziz Ibrahim

6. Fikri Iskandar Ghanim
7. Fawzi 'Abduh Mikha'il
8. Salib Jad-al-Karim Ibrahim
9. Shinudah Butrus Shinudah
10. Sabbah Sayyidhum Sayyidhum
11. Majdi Tawfiq Sa'id
12. Fakhri Jurji Baskharun
13. 'Ayidah Shawqi Najib
14. Nadiyah Murqis Salamah
15. 'Atallah Duqqush Ibrahim
16. 'Adli Musa 'Awad
17. Khalil Salib Salih
18. Murid 'Abduh Khallah
19. Sa'id Ishaq Sa'd
20. Faraj Da'ud Sabhan
21. Yahya Najib Sa'd
22. Su'ad Wasili Wahbah
23. Nusayr Jirjis 'Abd-al-Milad
24. William Mikha'il Maqqar
25. Mahrus Danyal Sulayman

**Groups:**

1. Habil Tawfiq Sa'id
2. Vasili Wahbah Rizqallah
3. Henry Habil Tawfiq
4. Mufidah Malak Armanius
5. Yunan Thabit 'Ubayd
6. Mamduh 'Azmi Milad
7. Nushi Kamal Sadiq
8. 'Adil Tadrus Shinudah
9. Amal Hazaqyal Ibrahim
10. Mahrus 'Abd-al-Malak Musa

11. Ilya Fayiz Qudays
12. Ra'uf Riyad Dhaki
13. Muna Malak Suryal
14. Ghali Jid Tawudrus
15. 'Azmi Milad Masihah
16. Mina 'Azmi Milad
17. Milad Sami Jid
18. Kamal Yunan 'Awad
19. 'Atiyah Musa 'Atiyah
20. 'Adil 'Atiyah Yusuf
21. Majdi Sami Yusuf Andrawus
22. Bulus Tadrus Yassi
23. Madelene Malak Azmanyus
24. Michel Habil Tawfiq
25. Majid Habil Tawfiq

Whoever has an objection to any of the abovementioned names must submit his objection to the chairman of the Political Parties' Affairs Committee, supported with whatever document he has at his disposal, within 1 month of the publication of this announcement in accordance with the law governing the political parties system.

**AL-SHA'B Discloses Losses in Four Banks**

45040222A Cairo AL-SHA'B in Arabic  
31 Jan 89 pp 1, 2

[By Fikri 'Abd-al-Mutallib]

[Text] Dr 'Abd-al-'Aziz Hijazi denied statements attributed to him in the last issue of AL-SHA'B which claimed that he had stated that four banks were under the threat of bankruptcy. According to the newspaper, Dr Hijazi accused the prime minister, the minister of the economy and the governor of the Central Bank of failing to do something about the financial crisis at the Merchants' Bank. Dr Hijazi said he never made such statements.

Despite Dr Hijazi's denial, AL-SHA'B is affirming the accuracy of all the information mentioned in its previous issue. AL-SHA'B is also affirming that this information was published by several Arab newspapers.

In a related area the National Party issued a statement last Thursday on behalf of its economic committee denying what was mentioned by AL-SHA'B. The statement was issued in an attempt to cover up serious departures from proper practice and the grave losses which a number of Egyptian banks are exposed to.

The statement's recognition of the fact that losses had been sustained in some operations was extraordinary. The statement acknowledged that these losses had affected the liquidity of these banks.

The statement tried to make light of these dangers by saying that "Bank deposits were protected by the assets owned by these banks" and that "profits from these banks' other operations would cover the losses."

It is worth noting that this paragraph contradicts the previous one which states that losses affected liquidity and that all deposits, therefore, were not covered. As far as the assets are concerned, who will estimate their worth? Will that be done by the National Party's committee? Will it be done by the banks themselves? Or will it be done by changes and fluctuations in market activity?

AL-SHA'B has learned that Dr Samir Tobar, chairman of the National Party's Economic Committee, has been nominated to serve as chairman of the board of the International Islamic Bank. That may be the real reason why the statement was released, rather than that of serving the interests of the investment climate or not hurting the banks' positions, as the statement claimed.

Our statement that officials at the Ministry of the Economy and at the Central Bank were presently considering a number of solutions to save the four banks from bankruptcy was not denied by those officials. Nor was it denied in the statement issued by the National Party's committee.

Although we would have liked the banks that we wrote about to respond to us directly and without delay, since that would have been in their interests, we are calling public opinion's attention to several facts.

First, it is estimated that the Merchants' Bank lost approximately 140 million pounds. These losses are attributed to the total loans which were made by the bank to businessmen and projects and which may be irrecoverable. The losses are also attributed to technical and perhaps suspect errors.

Second, The Engineer's Bank, which is affiliated with the Engineers' Union and which was established by billionaire 'Uthman Ahmad 'Uthman to finance his "open-door" companies, offered loans to companies owned by Majdi Hashish and 'Uthman, and these loans are irrecoverable.

For example, the bank extended loans worth \$50 million to the Schweppes Company to reduce its debts which had exceeded 120 million pounds. That made the bank incapable of financing any new project. This bank's problem is now being reviewed by the governor of the Central Bank.

Third, the financial crisis of al-Ahram Bank has grown as a result of the debts and burdens which are weighing it down. This situation induced Shaykh Salih Kamil, a Saudi investor who owns the Dillah Company for Dairy Products, to offer to increase the bank's capital by 25 percent in an attempt to save it, provided he can hold 25 percent of the bank's stock.

It is worth noting that al-Ahram Bank was one of the banks involved in the well-known bank case which was tried in the Ethics Court several years ago. In that case bank management had given the well known currency dealer, Sami 'Ali Hasan "a blank check" and authorized him to withdraw any amount of cash from the bank, thereby exposing the bank's financial position to a severe blow. That led four state banks to intervene and to purchase 51 percent of that bank's stock.

Fourth, the projects to which the International Islamic Bank has contributed funds are quite incapable of paying back to the bank the loans and financial credit extended to them. A report by the bank's board of directors affirmed that most of these projects are facing the dangers of bankruptcy because of their increased indebtedness. The bank contributes between 30 percent and 51 percent of their capital.

No surplus was realized from banking activity in 1987. This was not denied by the bank's general manager. This situation led Dr Hasan Naji, the bank's chairman of the board, and two members of the board of directors to turn in their resignations. These two men are Dr 'Abd-al-Hamid al-Ghazali, president of the Center for Islamic Studies, and Dr Ahmad Kamal Abu-al-Majd, the well-known Islamic intellectual.

#### **Imports Usurping Domestic Production Capacity**

*45040128b Cairo AL-JUMHURIYAH in Arabic  
4 Dec 88 p 4*

[Hani Salih report]

[Excerpts] Local welding rod factories are threatened with closure and are working at 25 percent below their capacity because monopolistic importers are in control of the market and are importing poor quality rods. In the meantime, stocks of good domestic products are piling up.[passage omitted]

Engineer Fu'ad al-Jundi, chairman of the Industrial Gas Company, said that public sector companies continue to use imported products. This is unacceptable and unjustifiable. Intervention by the minister of industry is even called for to resolve this matter in favor of national

industry. The Industrial Gas Company, he added, has a stockpile of about 600 tons of rods valued at 24,000 [Egyptian] pounds, because large quantities of imported products are available in the market.

He said that the company's potential output is about 700 tons annually, but the actual output is no more than 400 tons because imported varieties are dumped in the market. The drop in production capacity will eventually lead to increasing production costs and increasing losses by the local factories, while increasing the importer's profit.[passage omitted]

Engineer Khalid al-Zayyat, the agent of a Swedish company investing in a local factory for the production of Egyptian welding rods, said that 80 percent of the quantities imported from abroad can be manufactured locally with good quality, both in the public and private sectors, and so there is no justification to continue importing these types of rods.

He said that the Egyptian factories can determine the types of imported products on which high customs duties should be levied and the imported types that are not manufactured locally and on which low customs tariff may be levied.

He said that 20-percent customs duties are levied on raw materials, while 50 percent is levied on the imported finished product. This percentage does not provide the necessary protection for the local product.[passage omitted]

Ibrahim Isma'il, delegate member of an investment company in Alexandria, said that 150 pounds loss is incurred per ton of welding rods because of the high production costs due to low productivity, despite the good quality of the product below the actual capacity [as published].

He said that he has discussed with the minister of industry the possibility of protecting national industry by increasing customs duties or reducing imports, but no steps have yet been taken in this regard.

The factories' production capacity in the 1987-1988 fiscal year, he said, was about 300 tons, compared with actual output capacity of 6,000 tons in the first period!

He added that the factory [not further specified] entered production recently—about 2 years ago—in order to produce local goods offering an alternative to the consumer. The factory's investment totalled 5 million pounds in a joint venture with a Swedish company. Its good quality products have been certified internationally. Therefore, a loss of 400,000 pounds is expected in the 1987-1988 fiscal year because of unequal competition with imports.

Isma'il asserts that potential productivity is capable of providing good products at a reasonable price for the consumer.

Husayn Abu al-Fadl, the biggest importer of welding rods in Egypt, said that importing welding rods is not banned and that imports were in demand despite [local] production because of the market's increasing needs. However, now the situation has changed, and imports now unequally compete with local products.

He added that he imports 1,000 tons of welding rods annually, the last two consignments of which, at 100 tons each, were imported last month.

Importer Husayn Abu al-Fadl said that Korean-made rods are of a lesser quality than the locally produced, yet they are in demand by consumers because they are cheaper.

He added that the situation now is changing in favor of local products because of the increasing price of imported rods and because of domestic production becoming better in terms of quality and price.

For this reason, smaller quantities are now being imported, because the margin of profit has decreased and is not worth the importer's while. He said that industrial control should have the power to determine the types of imported products so that no poor quality products will come to the market that would harm local factories.

Iliya al-Ghazzawi, an importer and welding rod dealer, said that local production is sufficient to meet demand and it is of international quality. He said he is against banning imports, so that local factories will not raise their prices or limit production to certain types of products.

He said that local factories produce limited varieties and do not produce many of the types of products that need highly precise and specialized technology which is unavailable locally, such as welding rods for steam boilers, bridges, and other things. [passage omitted]

The latest factory to enter into production is one owned by an investment company in the town of Ten Ramadan. About 10 million pounds have been invested in it and it produces no more than 1,000 tons a year when its potential capacity is 8,000 tons annually. The factory's loss in the 1987-1988 fiscal year totalled about 450,000 pounds.

'Asim Muhammad Juwayfil, chairman of the factory's board of directors, said that the factory employs an advanced western production technology, and a major petroleum company is using its products. Yet importing large quantities from abroad has contributed to slowing the market as well as to dropping demand for imported varieties.

The volume of imported welding rods is estimated at 4 million pounds annually. It would have been better to utilize the foreign currency spent in purchasing essential commodities for the Egyptian citizen and protecting local production. Juwayfil said that some importers bring in large quantities of welding rods under different customs labels, thus causing a drop in prices of certain imported varieties. He said that he is against stopping importing different varieties, but that the locally-produced varieties should be defined and protected by customs duties and by permitting importing varieties that are not locally produced which are not of great quantity.

### **Economists Discuss Mergers, Monopolization's Effects on Economy**

45040128a Cairo AL-JUMHURIYAH in Arabic  
3 Dec 88 p 4

[Hani Salih report]

[Excerpts] Company mergers, or economic concentration, have become an international phenomenon. This is one of the characteristics of economic life in today's world. In Europe they are now preparing to merge under the slogan "the economically and politically united Europe."

At a symposium held by the Egyptian al-Ahli Bank in cooperation with the Shawqi and Company Auditing Bureau attended by some 500 researchers, auditors, and economists, Egyptian experts affirmed that merging is a suitable remedy for faltering companies, but it might lead to monopoly.

The experts said that so far there is no legislation in Egypt banning monopoly, despite its risks to prices and consumers. The experts called for imposing controls on company mergers and for the committee [on mergers] to adopt positive decisions either accepting or rejecting mergers. The chairman of the companies department said that 90 percent of the shareholding companies in Egypt are of limited liability and that the number of mergers is limited. He said that only 29 companies have applied for approval for mergers and that applications for only 15 companies have been approved. The rest of the applications have been rejected for procedural or legal reasons. The experts speculated on the type of system that would be suitable for the Egyptian economy—large entities or small projects. Some experts have called for studying the merger phenomenon and for discussing the possibility of merging small projects, such as small banks, into large concerns so as to save them from failure or liquidation. [passage omitted]

Dr Husam 'Abd al-Ghani al-Sughayyar said that the committee on the establishment of companies should be advised of the need to seek accuracy and to request economic feasibility studies and clarifications on the purpose of a merger. The committee should give a

definitive response to a merger application either rejecting it or approving it. The application should not be dealt with as in the case of applications for forming companies, where, if approval is delayed for more than 60 days or there is no response to the application, the company is considered to be established.

Dr 'Atif 'Ajwah, chairman of the companies department, said that 90 percent of the shareholding companies are of limited liability. Shareholding companies are still a foreign body in the Egyptian economy. For example, the contribution of shareholding companies to tourism is still limited, as is the case with agriculture.

He said that only 27 out of 781 shareholding companies have applied for merger, of which only 15 have been approved. This represents no more than 1 percent of the total number of companies. The companies law was enacted in 1981, but its enforcement began in 1982. The first approval of a merger was in 1985. This goes to confirm that the merger question needs policies that go beyond Law 159 of 1981.

Dr al-Sughayyar, who teaches at al-Minufiyah law school, said that we should have one law for all the companies. With regard to merging, it has its advantages and disadvantages. The disadvantage is the possibility of it leading to monopoly. There is no legislation banning monopoly, except Article 345 of the penal code, which does not directly deal with monopoly. Merging takes place with the approval of the committee on establishing companies. This committee can ascertain whether a merger might lead to monopoly.

He said that the working relationship ["'alaqat al-'amal"] in companies continues after a merger takes place.

Brigadier Dr Muhammad Tawfiq Sa'udi, director of the Cairo price monitoring agency, said that merging has its negative aspects and could lead to monopoly. The Egyptian legislature has not banned monopoly. The Egyptian legislature should intervene by issuing a law banning monopoly. There is a difference between a merger and changing the company. In French jurisprudence a merger is considered a kind of change in the form of the company.

Dr Sa'udi said that Law 159 of 1981 allows limited liability and holding companies to change their form, but does not specify to which form the company may change. The regulations limit this to shareholding companies, but the law leaves the companies unspecified. This is unconstitutional. How can the regulations ban something that is allowed by the law?

He said that with regard to debts, creditors' rights, work contracts, and lease contracts, newly merged companies are the guarantors of all the previous obligations. The same rules that were in force previously will apply to lease contracts and business place leasing contracts. [passage omitted]

Dr Ahmad Abu Isma'il, a former minister of finance, said mergers and economic control can only be achieved with a strong will. Our management system is not coordinated, and the problem of management remains the obstacle to reforming both the public and private sectors. Had the public sector been endowed with a scientific management it would have been possible to reform it and to manage it in a better way.

Dr Abu Zayd Radwan, professor of commercial law at 'Ayn Shams law school, wondered why we in Egypt and the Arab world need mergers. Merging is not the only path to economic concentration. There are many other means, such as holding companies, joint projects, and economic cooperation agreements, which all are mechanisms for economic concentration. The symposium has wallowed in legalistic debate. Despite the fact that I have been teaching at university for 22 years, I have understood only a little of what has been said. If only 15 companies have merged, does this deserve all that talk?

Counselor Mahmud Fahmi, former chairman of the money market, said that the purpose of the maximum 60-day period stipulation to respond to applications to establish companies is like a minimum response time for making the decision. Shareholding companies are not a foreign body in the economy. They have been in existence for 110 years, since the Khedive Isma'il.

Muhsin Bayyumi, deputy director of the central accounting department, speculated on what the suitable structure for the Egyptian economy might be—whether it is centralization or a mixed economy with merging or whether small economic entities are required. Our problem, he said, is how we can boost production and which serves the economy better, small entities or large ones.

'Abd al-Karim 'Abd al-Hamid, member of the Egyptian al-Ahli Bank board of directors, said it is natural that some economic entities should be large so that they can produce and compete. In the banking sector, for example, there used to be only nine banks up until 1975. Now there are about 100 banks. We need to compete now. Does the situation of banks in Egypt necessitate going back to mergers? Can a small number of small banks be merged while they are suffering from administrative problems? Small units lack efficiency, which might lead to failure of the project. It might also lead to the bankruptcy or liquidation of these banks. The most suitable solution is to merge the small banks to solve their problems without affecting the whole banking sector. [passage omitted]

Amal al-Khuli, of al-Sharqiyah Tobacco Company, said that merging public sector units in the tobacco industry has achieved one entity which has contributed to improved quality and increased efficiency, and this has had positive results.

'Abd al-Muhsin Tabaq said that the antiquated and inadequate formulation of Articles 345 and 346 of the penal code do not prevent monopoly, which could lead to risks. There is a need to rewrite these articles in order to ban and prevent monopoly. Dr Shawqi al-Sayyid spoke about company mergers and creditor's rights. He said that the creditor remains an outsider in the merger contract. The creditor has the right to ask the debtor to meet his obligations towards him.

Muhsin Jamjum, an auditor, said that according to the public sector companies law, these companies cannot be declared bankrupt. Any dispute between public sector companies and the government or the local government authority should be resolved through arbitration, and the arbitration committee's decision should be final. According to the law, when public sector companies merge, their assets are evaluated on the basis of book value. The relevant article in Law 159 of 1981 stipulates evaluation of assets at their actual value. This is a constitutional violation of Article 44 of the Constitution. The principle of evaluation on the basis of the book value must be abandoned, at least with respect to companies in which individuals hold 49 percent of the shares. Article 47 of Law 97 of 1983 provides that no public sector company shall be declared bankrupt. [passage omitted]

**Council Urges Better Ties With CEMA**  
*JN1503182089 Cairo AL-AHRAM in Arabic*  
14 Mar 89 p 6

[By Mahmud Mu'awwad and Mahmud al-Minawi]

[Text] Responding to remarks by Shaykh 'Abd-al-Sabur Shahin warning against the dangers of teaching courses on atheism to our Muslim youths in the Soviet Union, Interior Minister Zaki Badr announced in a session held by the Consultative Council under Dr 'Ali Lutfi yesterday that there is no danger to Muslims from Eastern or Western states. He explained that the real danger is Muslim outlaws. He said that the holy Koran and the prophet's traditions protect Muslims from any disbelief or extremism.

At the end of the Consultative Council deliberations on Egypt's relations with the CEMA states, Minister of Economy Dr Yusri Mustafa remarked that the Soviet Union asked Egypt to allow Egyptian contracting companies to take part in constructing modern projects in Soviet cities.

The Council started yesterday's session with a speech by Dr Shafiqah Nasir. She urged a continuation in Egypt's balanced policy between both eastern and western blocs. She explained that this approach is currently being followed by all states and that cooperation prevails in relations among the various international blocs.

She added the Egyptian political leadership's balanced policy must be encouraged, especially after Egypt's move toward an inter-Arab economic cooperation after the establishment of the Arab Cooperation Council [ACC]. She explained that Egypt must benefit from the ACC states' relations with various Eastern and Western states and international blocs.

'Adli 'Abd-al-Shahid stressed our need for further relations with the CEMA states, especially in the technological and industrial field, which is the pillar of modern civilization.

Mahir Muhammad 'Ali said: "Egypt has weight in today's world thanks to its quiet, balanced, and even-handed diplomacy." He recommended that influential popular organizations would benefit from entrenching our relations with the CEMA states.

'Abd-al-Sabur Shahin said: "This report [not further identified] arouses my concern. I have to stress the cultural side of it, which must not be overwhelmed by the military or economic side. We send students to these states and they send students to us. Our students there are obliged to study courses like Marxist atheism."

Dr 'Ali Lutfi said that there is no course in Marxist atheism and that this remark must be cancelled from the minutes.

Dr 'Abd-al-Sabur Shahin said: "What I mentioned is a fact. Colleagues of mine went there to study literature. However, such courses were imposed on them and they were tested in these courses even before being enrolled in master or doctorate programs." Dr Shahin continued: "My only purpose here is to preserve our sons." He said that some CEMA states oppress Muslims, like in Bulgaria, where Muslims are forced to change their names.

Dr 'Abd-al-Sabur Shahin demanded that the Muslim minorities in these countries be taken into consideration when any relationship is established between Egypt and these states. He called for benefiting from the Soviet Union's new policy in helping the Muslims there.

Dr Nabih al-'Alqami said: "The Marxist-Leninist ideology was an optional and not compulsory subject as Shaykh 'Abd-al-Sabur Shahin says. I say this because I was a student in the GDR."

Commenting on this, Dr 'Abd-al-Sabur said: "I am talking about the Soviet Union and not the GDR."

Husayn al-Baladi: "I sensed Egypt's relations with these Eastern states in contacts with young people in the Soviet Union and China and all leaders of arts and graduates of Soviet institutes. The new thinking aims at ruling out ideological relations among states."

Interior Minister Zaki Badr: "Unfortunately, I could not participate in discussing this important subject because I was on security missions outside Cairo. I would like to comment on the expressed fear of the possible arrival in Egypt of drugs from the Eastern states. I can assert that there is no danger posed to Egypt from either the Eastern or Western states. The danger comes from the outlaws whom I wished Shaykh 'Abd-al-Sabur Shahin had dealt with as the source of danger. These outlaws tried to implicate him in the capital investment companies but, praised be God, he managed to escape from them. Danger comes from these people." Commenting on the points the members had brought up, Economy Minister Dr Yusri Mustafa said that the joint committees between Egypt and the East Bloc states have regained their activity and trade has started to increase until the size of our trade with them reached 2.4 billion Egyptian pounds. This represents 14 percent of the volume of Egypt's foreign trade. They come in second place after the European Community, which represents 4 percent. Our exports to these fixed creditor countries reach 23 percent of the total of exports. At present, there are dealings with these countries in the form of equal deals as well as free currencies. There is also a protocol which governs relations with the Soviet Union.

There is also an increase in the importation of some important products. There is a surplus in the trade balance with the Soviet Union due to the presence of a large number of exports most of which are consumer goods. The Soviet Union is an excellent market and our exports to it are increasing greatly. New goods, which we did not used to export, have been introduced such as carpets, moquette, chemicals, and men's suits. The agreement with the Soviet Union included increasing the quotas of some of our imports, such as fertilizers, frozen fish, and wood. We are working on balancing the trade balance through setting up exhibitions and other promotion methods. Five of these countries have, since 1984, provided facilities and loans of about \$620 million to finance Egypt's needs of materials and requirements. The Soviet Union will finance production projects. The minister said that there is a joint committee which will convene this month in Cairo. The Soviet Union asked the Egyptian contracting sector to participate in establishing services facilities in the Soviet cities.

#### **Study Defines Roles, Influence of Businessmen on Foreign Affairs**

45040129 Cairo AL-JUMHURIYAH in Arabic  
4 Dec 88 p 5

[Article by Dr Amani Qandil, expert at the National Center for Social and Criminal Studies: "Interest Groups and Foreign Policy: A Study of the Role of Businessmen in Egypt"]

[Excerpt] [Passage omitted]

### **Analyzing the Nature of the Role of Businessmen's Associations in Foreign Policy**

Before taking up the nature of this role, it would perhaps be important to bring out several preliminary observations:

The first observation relates to the duality of the role that these associations play. Sometimes they appear to be an instrument that the regime uses for implementing foreign policy goals, and at other times they appear to be an instrument for putting pressure on the regime to support pursuits that conform to their interests.

The second observation confirms that the nature of the relationship of these associations to foreign policy has only recently crystallized, for in most of them, it does not go back to before the eighties, being a new aspect of these interest organizations. In their early years, they were preoccupied with establishing their organizational identity and ordering their relationship with economic policy and its formers within Egypt.

If the first signs that this association was turning towards foreign policy were in 1986, then the years 1987 and 1988 saw the culmination of this role in the association of Egyptian businessmen and the economic committee of businessmen in Alexandria.

The final observation relates to the basic issues in which these associations take an interest, and which are linked to foreign policy. The most important of these are support for Egyptian-American relations and for American aid to the private sector in Egypt.

All of the businessmen's associations are basically interested in this subject. Then comes Egyptian-Arab relations, support for economic cooperation, improving relations with the Soviet Union and the Eastern Bloc in general, and finally, broadening the Egyptian turn towards Africa.

### **The Associations as an Instrument for Implementing Foreign Policy**

Every political system tries to exploit its available domestic economic, political, and military resources to achieve its foreign policy goals, and if the development and mobilization of financial resources is one of the goals of Egyptian foreign policy, as has been said previously, then it is natural that the businessmen's associations would emerge as one of these instruments. These associations can be a basic pillar in what is termed "development diplomacy," what with the wealth and economic and political influence that they possess, and in view of their being tantamount to the face of Egyptian capitalism.

These and other things are evidence of the nature of a new relationship between the businessmen's associations and Egyptian foreign policy, and in this evidence they

reflect their nature as an instrument of achieving this policy. Perhaps in following the details of their role in the most important of the proposed subjects, namely American assistance to Egypt, they are revealed as an effective tool for bargaining and putting pressure on the American government.

In this context, it would be appropriate to point to the repeated visits by members of the American Congress to Egypt, and to the fact that the Egyptian foreign minister worked with the American Chamber of Commerce in Cairo to organize these meetings.

If the issue of economic assistance has occupied first place in relations between Egypt and the United States, as is reflected in the businessmen's associations role, then the development of Egyptian-Soviet relations is also reflected, in turn, in the nature of this role, since positive steps have been made in relations between the two states in the past 2 years. One of its notable results was a dialogue on a number of economic and trade issues, and in fact, a number of visits were exchanged between the ministers of economy and trade in each of the two countries, which resulted in the signing of agreements to strengthen economic relations and increase the volume of Egyptian exports to the Soviet Union. This Egyptian-Soviet rapprochement has important political and economic consequences, since it comes within the framework of undertakings by Egyptian foreign policy to achieve a balance towards the two superpowers. Moreover, the Soviet Union is the sole trading partner with whom dealing does not require hard currency, which suits Egypt's economic situation.

From this evidence, one can evaluate the positive steps which were achieved on the part of the Egyptian businessmen's association in particular. In this context, there was a meeting at the offices of the association with a Soviet delegation aimed at reviving trade between the two countries. What was new and unconventional about this meeting was that an official Soviet delegation was studying joint investments in both Egypt and the Soviet Union with representatives of the businessmen and not with the government.

This trend on the part of Egyptian foreign policy to achieve a balance in relations between Egypt and the two superpowers is a positive one that is needed in order to break the high degree of dependency on nearby capitalism. It is necessary that businessmen's associations play a role in expanding economic relations, and all obstacles to success ought to be confronted.

One of the signs that points to a turn towards Africa by the businessmen is the organization of a number of visits by the foreign ministers of African states to the offices of the Egyptian businessmen's association in coordination with the Egyptian foreign ministry. One such visit was the visit of the Rwandan foreign minister and his

meeting with members of the association to discuss the establishment of joint projects. Likewise, a visit by the foreign minister of Togo was arranged.

With respect to Egyptian-Arab relations, the years 1987 and 1988 saw intensified expansion in the volume of Arab-Egyptian interactions, which had their official and unofficial political and economic indications. These interactions and the resumption of official Egyptian-Arab relations were reflected in the activity of businessmen in 1988. At the beginning of the year, the association of Egyptian businessmen gave notice of three principal focal points, the first of which related to Egyptian economic policy, while the second one was directed at the Arab world. The association believes it necessary to welcome and be favorable towards the official trend by strengthening contacts with Arab states and Arab businessmen, with the goal of creating constructive cooperation in conformity with the desire of these brothers to direct their investments towards Egypt.

The earliest indication of this cooperation was the establishment of the Egyptian-Jordanian labor council. In addition, within the framework of Arab activity, a joint committee of businessmen from Morocco and Egypt was formed, its goal being to strengthen cooperation between the two countries and to set up joint projects.

In short, the activities of the businessmen's associations in the last 2 years in particular have taken many forms, some of which served to strengthen and expand Egyptian foreign policy undertakings, both at the level of relations with the two superpowers, and at the level of Egyptian-African and Egyptian-Arab relations. It is clear that in many aspects of this activity, there was coordination with the Egyptian Foreign Ministry, and in other aspects this activity conformed to the interests of the businessmen themselves.

#### **The Associations and Their Potential for Affecting Foreign Policy Pursuits**

Finally, one of the important questions that ought to be explored is: To what extent can these associations affect foreign policy pursuits? If the businessmen's associations have put their pursuits in line with those of Egyptian foreign policy, and become at certain times an important and new tool which this policy has relied on to achieve its foreign goals, what would happen if they were at variance with it? Could they exert pressure at the foreign level?

Indications of the answer to the previous questions can be seen through a number of observations:

- One of the political goals of the businessmen is the opening of new investment opportunities both at home or abroad with profit as the goal. The realization of this fact by the businessmen's associations was the impetus to coordinating activity and achieving more linkage with foreign policy goals which achieve their goals at the same time.

- The ability of these associations to affect foreign policy undertakings is confined essentially, in the Egyptian experience, to strengthening and expanding current pursuits, whereas they might go beyond that in the big capitalist states. A review of some of the stances of the trade unions in the United States reveals that they are successful in putting pressure on the government if their interests are threatened.
- It is of considerable importance to review the nature of the dual role that the businessmen's associations play in the field of foreign policy. Within the framework of their short experience in Egypt, these associations have lined up their activity with foreign policy goals relating to economic assistance. But at the same time, it cannot be ignored that these goals of theirs are in conformity with American foreign policy.

These above observations show how important it is to stress the achievement of a balance in Egyptian foreign policy towards the two superpowers and strengthening the position of the businessmen's associations in their economic dealings with the Soviet Union and the Eastern Bloc, because it would correct the lost balance, relatively speaking, and because it would remove any form of dependency.

#### **Conclusion**

The above makes it clear that the businessmen's associations that have been studied have been notably effective lately in their relations with foreign policy in coordination with the Egyptian Foreign Ministry. That reflects a greater degree of maturity in dealing with international and regional changes and a greater diversity in the domestic tools which the achievement of these goals relies upon. That brings up the need to develop this relationship and to anchor it in the foundations of national interest. That requires, among other things, the achievement of a balance in the relations of these associations with the superpowers.

Important questions remain that need more study, among the most important: How do these associations view the great international participants? What is the nature of their undertakings towards Arab unity? To what extent do their interests play a role in shaping their perceptions and positions? And what about the role of the Egyptian-foreign friendship associations, of which there are more than 30? Also, what about the professional guilds and the nature of their undertakings and relationships in the field of foreign affairs?

#### **Officials Question Use of Incentive Awards in Industry**

*45040150a Cairo AKHBAR AL-YAWM in Arabic  
26 Nov 88 p 5*

[Article by Muhammad 'Abd-al-Qaddus]

[Text] For whom are the incentives? That is a question forcefully presenting itself these days, making it incumbent on us to fiercely fight the battle of production. Are

they for everybody, in that they have become an entitlement both for those who work and those who do not? Or are they only for the outstanding, productive worker?

Practically speaking, they are now for everybody, in that they have become routine, and the worker, productive and lazy alike, considers them to be one of his rights that the state is obligated to give him.

This is the secret behind the drop in the average annual production of the Egyptian worker. It does not exceed 4,000 pounds, whereas in the advanced countries it is up to 40,000 pounds.

Will the situation remain as it is? Or are we really trying to increase production?

The problem and the solution are discussed in this investigative report.

Ahmad al-'Amawi, chairman of the workers union, explains the problem, saying: "It has been noticed that the incentives are often used to fill a pay gap and not for their basic purpose, which is to spur the workers on and to sharpen their enthusiasm and to reward only those who excel. The reason for that is that the laws and regulations equate work in the public sector with that in the government, just as they put workers in various fields on the same level with respect to wages. This means that workers in the hard, tedious industries that require physical or mental effort are equal, according to the wage schedule, to other workers. From this, the idea of incentives got started, and they arose so as to make a distinction between workers of the production public sector and others, and they became a part of their wages."

The system of incentives, as the trade union chairman said, is tied to the circumstances of each company and is in accordance with the quality of its production. There are individual incentives, due to the ease of assessing them, such as for a textile worker, and there are collective incentives given to the workers of a company if they achieve the requisite production figure. And within each company, there are differences between the various job groups with respect to incentives, but they are small and do not exceed 10 percent.

The head of the trade union asserted that the outstanding worker gets his due and that many of the workers are given special awards if their accomplishments are out of the ordinary or if they perform their required tasks and jobs more completely.

In his opinion, setting up a special system for public sector wages would violate government regulations, so that in the end it would not have to use incentives to make a distinction between a worker of the public sector and his colleague in the government. He said that a

worker's incentive cannot be withheld on the pretext that he is not productive at a time when he is suffering from rising prices. The issue calls for a number of integrated measures.

He said that many times the required production is not met for reasons beyond the control the worker, such as the breakdown of machinery, for example, so depriving the workers of their incentives in these cases is unfair to them.

He said that everybody must be equal, and a worker should not be deprived of his incentives on the pretext that he is unproductive when big awards continue to be paid out to the senior officials in the company.

#### An Admission

Mustafa Zaki, secretary general of the trade chamber, said: "I could not set rules to reward only those who are magnificent and outstanding, since the workers considered the incentives to be nothing more than a part of their pay, or a part to amend pay, and an attempt to keep up with exploding prices, and they order their lives around that! Moreover, on many occasions a sick worker is given his incentive even though he neither produces nor works, but humanitarian considerations take precedence in the end, and we take the point of view which prefers not to decrease the money that the worker needs in hand, including pay and incentives, because he is suffering from illness and in need of every cent!"

He said that as long as there is a big difference between monetary wages and the level of prices and inflation, any incentives issued will be to compensate the workers for a part of this difference and they will not perform the role desired of incentives, namely to increase and improve production.

#### Closing the Back Doors

Dr 'Adil Jazzarin, head of the industries union, also complains about the incentives and asks for a review of the system in which incentives have become a part of the wages. He said that in a number of companies, incentives are paid out even if they do not meet the required goals, as they claim that the drop in production is attributable to causes beyond the control of the workers.

Dr Jazzarin marvels at this reasoning, saying: "In every country of the world, it's impossible to find a company that loses or does not achieve its required goals, and yet pays incentives to the workers."

He went on: "Wages must be set so that they actually include all that the worker regularly needs.

"The advanced countries give their workers high wages and they do not give incentives beyond that, except to those who actually deserve them on the basis of competence. But in Egypt, some still insist on being like the

ostrich that buries its head in the sand, that is, they pay the worker a low wage, then try to make it up to him by other means, among them the incentives. The back doors must be closed on this subject, for through them competence exits, and the distinction between the competent worker and others is lost."

#### The Minister Admits It

Then I put the problem to the minister of manpower and vocational training, 'Asim 'Abd-al-Haqq, and he courageously admitted to it. He said: "One of its consequences was the creation of a gap in many of the financing structures of the companies, such that they are forced to withdraw openly from banks."

The minister of manpower asserts that the existence of a mistake does not justify continuing with it; rather, efforts must be made to rectify it, for the government and the public sector are not an almshouse for those working in them.

'Asim 'Abd-al-Haqq stresses the importance of using incentives in their rightful place, that is to actually be what they are called: "incentives." He said: "The administration must possess the principle of reward and punishment with which to motivate the workers and to bring forth unusual efforts that propel production forward. In the end, that would be reflected in increasing the income of the worker himself, of the establishment in which he works, and of the entire society."

The minister of manpower said: "Incentives which are given in their rightful place are not paid haphazardly or by the 'program' of the companies' board of directors to its friends among the workers, because in that case, they would be favoritism. Rather, work should be studied in order to evaluate the incentives so that they would only go where they belong. There are often individual cases where those involved should be rewarded immediately for the outstanding efforts that they put forth, such as repairing in record time a tool that broke down, and thus saving effort, time, and money."

Minister 'Abd-al-Haqq asserts that the goal of the government in the end is to reward only the outstanding and to encourage those who excel with incentives not given to others. He said: "Attaining the goal is difficult and will not take place overnight or by a decree. Rather, it requires a number of integrated steps, in which the state has made great strides. The most important are three steps:

- Reform of the manpower structure in Egypt and putting an end to masked idleness, for we are a state that suffers from a lot of writing about it, and a shortage of skilled workers.
- Working to raise wages to help the workers meet the pressures of daily life and so that the incentives would go thereafter to those who actually deserve them. Wages have been raised over 2 consecutive years by

about 45 percent. In the first year pay, was increased by 20 percent over the 5 percent periodic increase, and in the second year wages rose by 15 percent in addition to the periodic raise of 5 percent. It is expected that wages will go up for the third time during next year, God willing.

The government is trying hard to create a balance between wages and prices. The basics on which the people depend in their lives, such as education and housing, have not increased at the same rate as pay raises in the recent past. Yes, the prices of some foodstuffs have increased, but the problem is that the expectations of some exceed their capacities, and the desire to keep up appearances is obvious.

- The third step, the key to solving the whole problem, is for the rules and regulations of the public sector to be disassociated from the government sector, for the former must be administered as a labour sector, and this requires the establishment of independent rules for each one of its sectors. There are currently four rules in the sectors of petroleum, the banks, the Suez Canal, and printing and publishing. They have met with much success, and that will eventually be the general rule throughout the entire public sector."

The malady, as the minister says, is that we have used government methods in operating the public sector, managing it as the ministries are managed in the government. But we are on the way to saying "Goodbye to the age of the sultan's hangers-on."

#### Council of Ulema Denounces Societal Unbelief

45040169b Cairo AL-JUMHURIYAH in Arabic  
1 Jan 88 pp 1, 2

[Article by Mujahid Khalaf]

[Text] On behalf of the Council of Ulema, Shaykh Muhammad Mutawali al-Sha'rawi emphasized that officials in Egypt are firm in their belief, do not at all disavow Islam, and are striving to achieve and apply the Islamic call. Nonetheless, he added, waiting for the appropriate circumstances calls for patience.

His eminence stated: We direct young people to stay within God's limits and to realize that the Shari'ah's requirement to change [must] be [accomplished] in phases, and that [attempts to] change must cease if they lead to even greater corruption, because unrestrained change without controls spreads chaos. You must realize that setting limits and changing through deeds are the responsibility of the ruler or whomever he deputizes.

He stated: We are willing, in our capacity as God's propagandists, to sit with whomever has doubt or a divergent view in order to clarify the truth for him.

The Council of Ulema held two sessions to examine the phenomenon of societal unbelief. They scheduled their meeting of yesterday in the al-Azhar Mosque in order to issue a proclamation to the people. This meeting was attended by Shaykh Muhammad al-Ghazali, Shaykh 'Abdallah al-Mashad and Dr Muhammad al-Tayyib al-Najjar.

In a brief address before the public reading of the proclamation, Shaykh al-Sha'rawi stated that campaigns which accuse society of unbelief are alien to religion, and that no group of youths is entitled to give itself the right to speak about Islam from a viewpoint which is not fortified with knowledge and learning.

He stated that no one is entitled to level an accusation of unbelief against believers who pronounce the creed of faith, for it is Egypt which has given faith to the world, and which has exerted great effort on behalf of the Islamic call. Our religious scholars are teaching the entire world the principles and legal provisions of Islam.

He stated that the enemies of Islam, having failed to disparage Islam through their own agencies, have turned to Muslims to accomplish their objective.

Shaykh Muhammad al-Ghazali stated that the Islamic call is in need of a legist who understands the truth of Islam. He censured ignorant propagandists of Islam who are impeding the Islamic call by calling others to Islam without guidance or insight. Whoever impedes the call to Islam is an enemy of Islam.

He rejected the use of violence and force in the call, for Islam is a religion of persuasion, not compulsion and violence. It is unreasonable, he stated, to stand here before the al-Azhar mosque and ask combatants and fighters to come forward to wage a holy war when the world possesses the atom bomb. The following is the text of the proclamation:

The reform adjured by Islam for society in all of its affairs depends primarily on persuasion, education, and reasonable dialogue. It decisively rejects resorting to violence or hatred or the denial of the rights of others in the name of religion.

The noble shari'ah has laid down clear methods for rectifying degeneracy and deviation. These methods do not include levelling accusations of unbelief or impetuosity in order to achieve a goal. This notion is conveyed by the noble exalted verse, which states:

"Call (all) to the way of thy Lord with wisdom and beautiful preaching; and argue with them in ways that are best and most gracious." [Sura 16, Verse 125]

There are numerous noble prophetic traditions which prohibit accusations of unbelief against a Muslim. Among them is a tradition conveyed by Ibn-'Amr and cited by al-Bukhari and Musallim, may God be pleased

with them, that the prophet of God, God bless him and grant him peace, said: "If a man says to his brother, O unbeliever, and one of them acknowledges it and it is as he said, do not turn against him. Al-Bukhari and Musallim likewise cited Abu-Dhurr, may God be pleased with him, who heard the prophet of God, may God bless him and grant him salvation, say: "Whoever calls someone an unbeliever or says that he is an enemy of God, and it is not so, do not protect him, that is to say, turn against him."

### The Position of the Ruler

Regarding the faith of officials in Egypt, we believe that they do not refute God at all and do not disavow Islam in principle, and that they are working to achieve and apply the Islamic call to its fullest extent. Nonetheless, waiting for the appropriate circumstances requires patience.

Therefore, we direct the youth to stay within God's limits, to stay away from what is harmful to Islam, and to realize that change, as required by the shari'ah, must occur in ordered stages, as made distinct by the authentic prophetic tradition, which states: "Whoever among you sees something reprehensible, let him change the reprehensible with his hands; if he is not able [to do this], let him change it with his tongue, and if he still is unable, let him change it with his heart."

### The Method of Changing the Reprehensible

The Ulema agreed that changing the reprehensible with his hands is the duty of the ruler and of each person within the limits of his power, and that [attempts to] change the reprehensible must cease if they lead to even greater corruption, because the unrestrained changing of the reprehensible without controls leads to the spread of chaos in society and damages the interests of religion and the country.

Throughout the prophetic period, the period of the companions, and the period of those who followed them, no group has appointed itself to set limits and legal provisions without permission from the legitimate ruler, because Islamic law confers the right to set limits on the ruler or whomever he deputizes. Moreover, an historical constant in all eras has been that those who set limits and change the reprehensible with their hands are the rulers alone.

We are prepared, in our capacity as God's propagandists, to sit with anyone who has doubt or a divergent view in order to clarify the truth for him, and to guide him on the straight path.

We have great confidence that our state is increasingly desirous of helping to bring the truth to light, denying what is false and encouraging virtue and moral religious values, because all of these lead to individual and collective happiness.

### Crowdedness and Noise

Many youth and people coming to pray came to the plaza of the al-Azhar mosque to listen to the proclamation delivered by Shaykh al-Sha'rawi.

Noise and tumult continued for close to an hour immediately after noon prayers because of the intense crowding. The Ulema were able to reach the dais only after much difficulty.

Shaykh al-Ghazali addressed the people three times, rebuking them and reminding them of the rules of conduct of Islam regarding listening and talking, until those in attendance quieted down and he began to deliver his speech. Noise and shouting erupted again when Shaykh al-Sha'rawi reached the dais.

This situation required Shaykh al-Sha'rawi to direct some remarks to the people before the proclamation, in which he said: Those causing this noise are strangers to Islam, and have infiltrated the youth to spoil their meeting with the Ulema.

### Bani Suwayf Governor on Decision To Close Liquor Store

45040162 Cairo AL-NUR in Arabic 14 Dec 88 p 4

[Interview with Major General Husayn Mudin by Muhammad Hilmi: "Decision to Shut Down Liquor Stores Is in Response to People's Wishes and Is Irrevocable"; date and place not specified]

[Text] I began my interview with Major General Husayn Mudin by asking him to elaborate on the decision to shut down liquor stores and the reasons that compelled him to make such a decision.

He said: "During the last month of Ramadan, I studied this matter in detail from all its various aspects, particularly the legal ones. During this study, I noticed that the former governors had made great strides in this area.

"I used the powers vested in me by the law to give the liquor store owners a 2-month time limit to convert their activities into legitimate businesses and I issued my orders to the executive authority to mail our letters to these owners apprising them of this decision.

"As to the reasons for this decision, it was in response to an overwhelming popular wish to which the governorate's local council responded by issuing recommendations in this regard. I, too, complied with this wish and am following up its implementation personally."

[AL-NUR] What do you plan to do if the liquor store owners go to court?

[Mudin] We have studied this matter from all legal angles, and if it goes to court, we will present our defense. If the judgment is in favor of liquor store owners, we will appeal the decision and will file a contest. After that, we will issue other decisions for closure.

I would like to reassure the people of Bani Suwayf that this decision is irrevocable. Regarding rumors that liquor store owners will close their stores and move their liquor business to their homes, I assure them that we have instituted strict controls that will cover each and every place. If any merchant or citizen is found to be dealing in liquor, we will take all deterrent action against him through the prosecutor's office and the courts.

I would also like to point out that all liquor store owners have complied with the decision and have closed their stores, a good move on their part.

[AL-NUR] What are the parameters of the relationship between you and the Islamic societies [gama'at]?

[Mudin] We do not have Islamic societies in Bani Suwayf. What we have is the Islamic Call Society, which upholds the law and legitimacy and its activities are monitored by a committee comprising the Ministry of Education, al-Azhar, the Ministry of Awqaf, and the local government.

[AL-NUR] What is your assessment of this society's activities?

[Mudin] Its activities are very good and diversified in all the educational, health, and Islamic call fields.

It has built many schools throughout the governorate, from the nursery all the way up to the high school level. The government's top students always come from these Islamic schools because they employ good teaching staffs who perform their educational duties with integrity and enthusiasm.

The society has set up a welfare clinic to provide comfortable and reliable treatment, not to mention all the other social, cultural, and religious services it offers.

[AL-NUR] Is there any cooperation between the governorate's religious agencies and this society?

[Mudin] Yes. The governorate's religious scholars cooperate closely with this society through lectures and religious seminars.

[AL-NUR] How does Maj Gen Husayn Mudin view cooperation with the Islamic societies?

[Mudin] My vision is to deal with these societies through dialogue, clear-sightedness, and persuasion. This does not preclude, however, a deterrent force against outlaws.

[AL-NUR] How do you define extremism and how can it be dealt with?

[Mudin] Extremism is intransigence and lack of restraint in everything. Both cases are unacceptable.

I would like to make it clear that ever since I took office I have not seen any manifestations of extremism in Bani Suwayf, except for one attempt made by a group of outlaws last year at a mosque. We dealt with it in accordance with the law. It has not been repeated, thank God.

The way to deal with extremism is through dialogue. Based on this premise, and in order to preserve this principle, last year I called on His Eminence 'Ali Mah-jub, minister of awqaf, His Eminence Dr Muhammad Sayyid Tantawi, and al-Azhar scholars to open a dialogue with the youth. Each of them put forth a full view and presented their ideas with total freedom. The scholars' dialogue was highly useful, for a large number of young people renounced the ideas they had espoused.

I would like to make it clear that dialogue does not mean that we can dispense with the need to stand up to outlaws! As the same time, I always call on the honorable scholars to discuss with the young people all the issues that are important to them.

[AL-NUR] How do you perform your duties as governor and what kind of impact has Islam had on your performance?

[Mudin] Thank God, Islam has taught me to do my best because this duty is a trust for which God will hold me accountable on Judgement Day. Therefore, I am keen on doing my best and all my strength and sternness is aimed at fulfilling the trust.

At the same time, my door is open to the public. A weekly open meeting for the people is held on Mondays at the cultural palace in the city of Bani Suwayf, during which private and public grievances are discussed with an open mind.

I always make sure to bring to this weekly meeting government agency heads so that every official can hear the grievance that falls within his jurisdiction and resolve it as soon as possible. I do all that out of a desire to give everyone his right. This is a trust every official must fulfill and there is no doubt that the teachings of Islam enjoin us to safeguard this trust.

[AL-NUR] Do you have anything you would like to say to the people of Bani Suwayf?

[Mudin] I would like to tell them to preserve everything that has been achieved, to consider the existing projects in the governorate as their own personal installations and to contribute to higher production, as enjoined by Islam and its teachings.

I call on the young people to turn to the east of the Nile to conquer the desert and we, on our part, will offer them all the facilities they need. Let all citizens be aware of all their rights and all their duties without adding to or detracting from them.

### **Military Publication Carries Abu-Shinaf Biography**

45000119 Cairo AL-'ASKARIYAH in Arabic  
Nov 88 pp 6-7

[From the "Know Your Commanders" column]

[Text] Lieutenant General Safi-al-Din 'Abd-al-Jawad Abu-Shinaf, chief of staff of the Armed Forces, was born on 29 January 1931. He graduated from the War College in July 1952.

He served in the infantry arm as follows:

1. Infantry platoon and infantry company commander;
2. Infantry battalion commander in the war of attrition in the city of al-Qantarah;
3. Mechanized infantry brigade chief of staff;
4. Mechanized infantry brigade commander in the 1973 war;
5. Seventh Infantry Division commander.

He served in reconnaissance units as follows:

1. Reconnaissance company commander in Yemeni war;
2. Chief of reconnaissance for infantry brigade in Yemeni war;
3. Chief of reconnaissance for infantry division;
4. Chief of the reconnaissance apparatus in the Military Intelligence Directorate.

He served in operations branches as follows:

1. Chief of the morale training department of the Second Field Army's operations branch;
2. An officer in the Armed Forces Operations Organization;
3. Chief of the Second Field Army's operations branch.

He served in the Nasir Higher Military Academy and as instructor of morale in the Higher War College. He was appointed chief of the Egyptian military committee to carry out the peace agreement to recover the Sinai up to

the al-'Arish—Ra's Muhammad line. He was appointed chief of staff of the Second Field Army, then commander of the Second Field Army. He was chosen chief of the organization and administration body for the Armed Forces, then deputy chief of staff of the Armed Forces, and subsequently chief of staff of the Armed Forces.

His technical education is as follows:

1. Command and staff college course;
2. Graduate of the War College at the Nasir Higher Military Academy.

He participated in the following wars:

1. The 1956 war as infantry company commander;
2. The Yemeni war as commander of a reconnaissance company and chief of reconnaissance for an infantry brigade;
3. The 1967 war as an officer in the operations branch of the al-Sharqiyah Military District;
4. The war of attrition as an infantry battalion commander in al-Qantarah al-Gharbiyah;
5. The 1973 war as a mechanized infantry brigade chief of staff and then commander of the same brigade.

He received the following awards and medals:

1. The exceptional development award;
2. The military star medal;
3. The duty award, first class.

He is married and has four children: a son who is a graduate of the pharmacy college, a daughter who is a graduate of the fine arts college English Department, and two daughters in the Bab al-Luq German school.

His hobbies are swimming, rowing, volleyball, and reading history and political science books.

#### **New Railroad Ties Western Phosphate Mines to Red Sea**

45040149a Cairo AKHBAR AL-YAWM in Arabic  
26 Nov 88 p 4

[Article: "Mubarak Opens First Railway Linking Upper Egypt to the Red Sea"]

[Text] President Muhammad Husni Mubarak will soon open the first railroad linking the phosphate mines of Abu-Tartur in al-Sahra' al-Garbiyah [the Western Desert] to Port Safaja on the Red Sea. The new railway is 750 km long and cost 360 million pounds.

The first phase of this project was, in fact, put into operation this month. It extends from Qina to Port Safaja over a distance of 270 km. The president will also inspect the work being done on the second stage, which starts at the phosphate mines of Abu-Tartur in the Western Desert and ends up at Qina, covering a distance of 480 km. Work on it will be completed over 2 years.

Engineer Sulayman Mutawalli, Minister of Transport and Communications, said that implementing the Abu-Tartur - Safaga railway is no less important than the Aswan High Dam project.

From his desk he brought out for us a file containing all the documents pertaining to the project. They say that for the first time the phosphate mines of Abu-Tartur will be linked to the Naj' Hamadi aluminum plant at Port Safaja on the Red Sea. The railway is considered to be the sole means by which raw phosphate can be transported from Abu-Tartur to the port for export abroad. Studies have confirmed that what will be transported by the railway will reach 3 million tons of phosphate a year, 400,000 tons of raw aluminum at Naj' Hamadi, and 1.1 million tons of grain, goods and materials, and fertilizers that arrive at Port Safaja and are transported to the governorates of Upper Egypt. The railway will also carry pilgrims from Upper Egypt. For the first time, iron rails that have high strength specifications will be used on this line.

The minister pointed out that the Egyptian workers of the Nile Public Company for Roads and Bridges and the Railway Authority were competent, and he said that the project had been carried out with 100 percent Egyptian expertise. The railway bed was cut over the mountains for about 200 km, all of which was done among the heights of the Red Sea mountains.

The minister said: "We have built a residential town in Qina containing 16 residential units which were set aside for the workers on the project, and rest stations were established for the workers at the junction points. There are 11 points, and at each one there is a rest station with 4 residential apartments provided with utilities."

#### **Columnist Says Cutoff of U.S. Aid 'No Surprise'**

JN1903161989 Cairo AKHBAR AL-YAWM in Arabic  
18 Mar p 5

["The Right Tune" column by Nabil Abazah]

[Text] It came as no surprise to me when the United States suspended monetary aid to Egypt. I wasn't surprised either by the charge that we were getting ready to build a plant to manufacture internationally banned chemicals.

A good many people have been at a loss to explain the American stance, forgetting that the aim was to render President Mubarak's Europe tour a failure even before it began.

President Mubarak is aware that the world's political map is undergoing a change and that Europe is quickly getting to be a superpower competing with the USSR and the United States. President Mubarak has succeeded in setting up close relations with Europe and personal relationships with the continent's leaders. In an era of detente, this seems to be the only option open to us.

I imagine the recent American move sought to place obstacles before Egyptian-European relations and to keep Europe from extending economic assistance to Egypt and from prevailing on the IMF to ease its impossible requirements. Further, by charging that Egypt is building a plant for the production of toxic gases and chemicals on the eve of his attendance at the Hague international conference on atmospheric pollution, the Americans sought to embarrass President Mubarak.

To my mind, the United States acted the way it did on the strength of faulty information, as this is a polite political phrase. [sentence as published] In actual fact, the United States knows the falsehood of its allegation that we are in possession of a facility for the manufacture of chemical material. It knows only too well the inconvenience we are experiencing trying to revamp our infrastructure—water, drainage, and the telephone and road systems, and the huge outlays needed. Likewise, the Americans are fully aware that by failing to consult our circumstances and those of the Egyptian society, some of the IMF's conditions are just impossible to meet, and yet do not intervene to relax these terms. Instead, they put pressure on us to meet these requirements and attempt to keep Europe from intervening on our behalf.

The United States seems to have been caught off guard by the launching of the Arab Cooperation Council comprising Egypt, Iraq, Jordan, and the Yemen Arab Republic. The Americans seem to have been similarly affected by the success of President Mubarak's Arab policies. Washington's recent move was meant to abort President Mubarak's European tour, or, at any rate, to minimize its political and economic implications. Happily, though, these attempts have met with failure.

#### **Editorial Claims Fundamentalism More Than Reaction**

45040222B Cairo AL-SHA'B in Arabic 31 Jan 89 p 7

[Article by Husam al-Din Salih: "Religious Tendency Grows in Response to Policy of Repression"]

[Text] In our country, Egypt, we find ourselves without an identity and without a religion. We are neither from here nor from there.

It is true that we have a constitution which states that we are a democratic country and that our democracy is based on multiple parties. And yet, when we put the constitution into practice, we find that we approach that task with one opinion and one idea, and we use a method which cannot be associated with a democracy that is based on having multiple parties. Democracy is not just having signs for parties which have been given the freedom to speak. A statement spoken freely is worthless if it has not been considered, studied and understood. It is worthless if others cannot discuss it and talk about it without having hired government writers mock it and those who benefit in the absence of identity and religion rant and rave about it. Freedom should not become a mere scream in a barren field.

As we face the issue of young people in Islamic groups and what is being said about the fact that some of them are radical, the governing regime should not relieve itself of the primary responsibility in that regard. Instead, it must consider the question from numerous perspectives. I will review some of these below.

Those who are in power interfere in selecting and hiring the men who preach the message of Islam, starting with the top position of the shaykh of al-Azhar. Now these men are merely civil servants who are subordinate to authority, devoting their attention to their attempts to get close to the rulers and competing with each other to appear at official gatherings. That is why their official duties of serving the message of Islam and upholding God's laws against the rulers have been put on hold. They have resorted to relaxing in their elegant clothing in air-conditioned offices and have left the mosques and the task of preaching the message of God to every man and his brother. They left the task of preaching the message of Islam to men who declare their own independent opinions, who misguide others, and who are illiterate. They are thus hurting themselves, their religion, and their nation.

I think that if serving as the shaykh of al-Azhar were not subject to the ruler's wishes, the shaykh of al-Azhar would not have issued a statement like the one he issued recently condemning a sector of young Muslims and stirring up the authorities against them. The shaykh of al-Azhar issued that statement simply because of what one of the regime's newspapers wrote about them. I certainly do not think that he would have issued such a statement, which can only be issued by the minister of the interior himself, if the venerable scholars who preach the message of Islam were chosen to serve in those positions by the scholars themselves, without any controls and directions from authority. If that had been the case, his eminence, the shaykh of al-Azhar would not have issued such a statement before he had given himself an opportunity to find out the truth by asking a group of our virtuous scholars to investigate. That way a statement issued by the shaykh of al-Azhar would determine the incontrovertible truth, and public opinion among Muslims would hold it in reverence. That is how things should be.

Extremism in Egypt is not a novelty. It is a human phenomenon that has been in this world ever since man has been on it, and it will continue to exist until the world comes to an end and everything goes back to God. Extremism can be found in all countries of the world, those that are advanced and those that are not. Countries deal with extremism and cut it down in different ways. In advanced countries extremism is dealt with from a comprehensive, scientific perspective. But in backward countries where no identity or religion dominates, extremism is confronted by ignorance, a show of strength and tyranny. No consideration is given to one's moral responsibility when one deals with another human being. No consideration is given to one's national responsibility to preserve the country's stability and security. No consideration is given to taking precautions against the complications of dealing ignorantly with this phenomenon and resorting to an approach that uses tyranny, terrorism and force. That is the method used by impotent losers.

And that is why relying on one man, the minister of the interior, to deal with extremism by exercising tyranny and humiliating Egyptian citizens is dangerous because extremism is by nature a growing phenomenon. Nothing can break the extremists' ranks and stop them from increasing their numbers and growing like using all the branches of knowledge against them. Power lies in the learned, scientific perspective, not in a law enforcement perspective which lacks understanding, awareness, and wisdom.

It is vicious on the part of the Ministry of the Interior to use government terrorism indiscriminately in dealing with the Islamic tendency as a whole and to proclaim that all such actions are undertaken to pursue extremism. Such an approach creates the image that whoever is handling the controls at the Ministry of Interior is important. The extremism we knew and the extremism which emerged as Islamic manifested itself in nothing more than two or three groups, none of which had agreed on a single objective or idea. None of these groups had any more than 10 people, and all of them were spurned by all the people. This means that these groups altogether represented nothing that would have aroused interest or caused us to take precautions. And yet, it was after the uprising of the 18th and 19th, which got al-Sadat out of his indifferent mode and undermined his arrogance, that al-Sadat's regime wanted to play a dangerous game. Al-Sadat had convinced himself that Egypt was nothing but a tribe and that he was its revered chief. He and the man who served as his minister of interior at the time played the game of sectarian strife in al-Zawiyah al-Hamra'. Ever since then the religious tendency has been attracting young Muslims as well as young Christians under economic, political and social conditions that would take too long to explain.

Had the scholars who preach the message of Islam been on the job and had they been attending to their principal duties, they would have taken that favorable tendency to

turn to religion and attended it with care and given it direction. Unfortunately, however, they were worshipping at the altar of power, vying with each other for positions and appearances at official gatherings. That is why young people acted on their own and took upon themselves the task of preaching God's laws in broad daylight. International Zionism and the United States in particular became concerned. And it was then, in the absence of Muslim clergymen, that ministers of the interior took advantage of the situation and gave themselves the right to deal with this Islamic religious tendency by using a repressive, policing method. This was done under the pretext of protecting the regime, and it was praised and appreciated by political leaders.

But it was under Zaki Badr that the Ministry of the Interior went too far in using confrontation, tyranny and terrorism to deal with the Islamic tendency. The ministry fabricated battles, trumped up charges, and contrived arrests, and that left the courts preoccupied with hundreds of investigations. Political leaders were led to believe that the threat to the regime—an imaginary one—was about to turn into a strangle hold. This is exactly what Zaki Badr had intended because he wanted political leaders to continue looking at him as the man of the hour, the gifted man of the 20th century who must be kept at the helm of the Ministry of Interior at all costs and in spite of everyone.

I wish political leaders knew that as Zaki Badr's method of confrontation grew, the religious tendency, on the other side, grew even more. And what is even more dangerous than that is the fact that Zaki Badr has created an antiregime tendency which did not exist previously. This tendency is growing—it has actually grown—at such a pace that 100 Zaki Badrs would find it difficult to go after it. Time will certainly show political leaders and confirm to them that what Zaki Badr did was so harmful to the regime and the country that the harm which was done exceeded the expectations of our worst enemies.

### **Columnist Links Past Israeli 'Terrorism' With Pan-Am Crash**

*45040182 Cairo AL-AKHBAR in Arabic 6 Jan 89 p 14*

[Commentary by Wajih Abu-Dhikri]

[Text] Ilan Halevi, an enlightened Jewish writer, rejects state terrorism. Israel expelled him, so he is living in Paris. He has published a number of books about the future of Israel. Among the most important of his works is his book "Israel, From Terrorism to Massacres", in which he details the immigration of the Jews of Iraq to Israel.

After the establishment of the Zionist state, Ben Gurion found that the Jews of Iraq, who numbered 150,000, were refusing to immigrate to Israel, so he requested that Britain arrange a meeting between him and Qadri al-Sa'id, the Prime Minister of Iraq. During the meeting, which took place in Austria, Ben Gurion requested that

Qadri al-Sa'id facilitate the immigration of Iraqi Jews to Israel. Al-Sa'id responded by providing every facility to the Jews of Iraq so that they could immigrate to Israel. However, the Jews refused to immigrate, not wanting to embark on an adventure in a country whose future remained unknown.

At this point, Ben Gurion formulated a plan to terrorize the Jews of Iraq in order to force them to immigrate. Iraq witnessed a series of explosions and grenade attacks in sites where Jews congregated.

In April 1950, a bomb exploded on Abu-Nuwwas Street, west of a coffee house in which several Jewish youths had gathered.

On 14 January 1951, a bomb exploded at the Stanley Shim'on Jewish Trading Company.

The Iraqi authorities accused communist groups of planning these incidents, and arrested many of them.

Nonetheless, the Jews did not immigrate.

At this point, Ben Gurion decided to increase the dose of terrorism in Iraq against the Jews.

A bomb exploded inside the main Jewish synagogue in Baghdad, killing several and wounding dozens, whereupon a larger Jewish immigration to Israel from the country of the "east" began.

Concurrently, Iraqi authorities began a violent and provocative pursuit of Iraqi communists.

Years later, the role of the Mossad in these incidents was revealed, inasmuch as it was disclosed that Ben Gurion had sent Mordekhai Ben Porat to Baghdad to carry out these operations.

In this connection, Ilan Halevi cites a significant piece of evidence. He states that (William Iveland), an employee in the American embassy in Baghdad, confirmed that the attack against the American cultural center in Baghdad was not aimed at Jews in particular; rather, Israel wanted this incident to arouse antagonism between the U.S. government and the government of Tawfiq al-Suwaydi and Nuri al-Sa'id, which was a client of the West.

Another episode, this time in Cairo in 1955, involved the placement of bombs at American institutions in Cairo and Alexandria. At the time, the government believed, as was the case in Baghdad, that the communists or the Muslim Brothers were carrying out these explosions, and members of these groups were arrested.

The situation was clarified when an Egyptian soldier was able to arrest a Jewish youth in front of the (Rid) Cinema in Alexandria, carrying an incendiary bomb in his

pocket. Upon his arrest, he acknowledged the existence of a Jewish Mossad network whose mission was to blow up American institutions in Egypt.

Why? To provoke discord in relations between the July revolution and the United States, which had been very close. This affair became known as the Lavon scandal.

In 1967, the American ship, "Liberty" was anchored off the coast of al-'Arish after providing services to the Israeli forces in the June 1967 War. For reasons still unknown, Israeli planes staged an intense air raid against this ship, causing fatalities and injuries among sailors on the ship and putting the American ship out of commission.

On 22 February 1973, a Libyan civilian aircraft entered the air space over the Sinai peninsula. Four Israeli Phantom fighter aircraft shot it down, killing 109 Egyptian and Libyan civilians, including the famous broadcaster Salwa Hijazi—Israeli expertise in shooting down a civil aircraft!!

Shim'on Perez, who is said to be a dove, described the American decision to hold a dialogue with the PLO as a "black day in Israel." The American decision produced a strong shock in Israel.

Yasir Arafat expects that Israel will attempt to abort the U.S.-PLO dialogue, but he does not specify how.

Is there no relation between these episodes and the crash of the American plane in Scotland and the killing of its innocent passengers? In recounting these episodes, I am not hoping for a reward from the American government for discovering the identity of the terrorists responsible for blowing up the American aircraft, who have experience in blowing up civil aircraft. Nonetheless, these episodes are old yet timely readings about terrorism.

#### **Writer Lectures Superpowers on Responsibility in Arms Race**

45040177b Cairo AL-JUMHURIYAH in Arabic  
6 Jan 89 p 5

[Commentary by Hasan Shukri]

[Excerpt] [Passage omitted] [The need for] determining the features of a short- and long-term Arab strategy to confront Israeli nuclear capabilities has become unarguable. This issue pertains to the axiom that nuclear deterrence cannot be achieved unless the enemy becomes convinced that the other side will not hesitate to use any weapon at the appropriate moment.

Therefore, the nuclear deterrent capability brandished by Israel through the western media is not synonymous with power alone, inasmuch as power without the will and resolution to use it does not provide deterrence. If Israel has already introduced nuclear weapons to the

region, the two superpowers must reach a mutual understanding regarding the settlement of the Arab-Israeli conflict by peaceful means as quickly as possible, while the development and production of nuclear weapons are still in their inception. What is unique about this conflict is superpower intervention in the arms race between them via certain Arab countries and Israel - and have thus been unable to take a neutral stand in any military conflict between Israel and her neighbors. They also import ultra-modern arms to the countries of the region based on their respective strategies. Consequently, the superpowers are in a position to effect a military balance or imbalance in the region, whether regarding nuclear, biological, or chemical mass destruction weapons or conventional weapons. They are also able to bring about peace or cause tension and crises in the region, because they possess the ability to influence the parties in the Arab-Israeli conflict in one way or another.

The United States and the USSR must not forget that arms are not merely high-profit trade commodities. Rather, arms deals must be the outcome of high-level political decisions, because weapons are strategic commodities which influence the national security of any country. Therefore, the decision to agree to any arms deal must be preceded by a comprehensive political and military evaluation of the country desiring to purchase arms. In addition, no deal should be concluded without first calculating the impact of prospective arms exports on the balance of regional and international forces by studying the possibility of a qualitative and quantitative escalation on the part of the parties against which these weapons are expected to be used. In pursuing such a course, the two superpowers would become fully cognizant of the field of use of the weapons which they export to each country.

Within the aforementioned framework, we do not exempt either of the two superpowers from their fundamental role in solving the Arab-Israeli conflict, as long as they are capable of compelling the aggressive side to submit to international law. We know that any state which sells or provides weapons imposes specific conditions on recipient countries. For example, [the condition] that arms exports not be used against parties friendly to the exporter, that the arms recipient not usurp the territory of others, that it renounce terrorism, violence, and the use of these arms to carry out military operations, etc. We also know that Israel would be unable to continue practicing terrorism against the Arab population in Palestine, and it would be unable to reject the Palestinian proposal for a just and comprehensive peace, were it not for its receipt of the advanced weapons and economic and material support which give it military superiority over the Arabs. Thus, the two superpowers, if they desired, could solve the conflict without having to refrain from supplying the hostile party with arms, support, and technology. I do not think that this is a difficult matter.

To U.S. and Soviet leaders, I state that the Middle East is a strategic area which is crucial to your interests, and

that the Arab peoples (approximately 190 million people) are more permanent and better for you than the colonialist, isolated Zionist entity, because history and the future are against it; only the truth stands firm. A right backed by desire will not be lost, and the Palestinian cause will not end in obsolescence. It is the Palestinian people who have raised the olive branch before the entire world. This people can turn the region into a hell if compelled to do so. Therefore, let us all pursue peace, justice, and development as the new year begins.

### **Columnist Sees King Husayn's Decision as Response to 'Conspiracy'**

*45040149b Cairo AL-AKHBAR in Arabic 6 Dec 88 p 12*

[“A Little Diplomacy” column by Maha ‘Abd-al-Fattah]

[Text] Much has been said and written in explanation and analysis of the historic decision which King Husayn made on 31 Sep 1988. It was said that it was revenge against the PLO. It was said that rather it was to make it face its responsibilities. It was said that no, instead it was directed against the people who preferred to have the PLO over them, and many other things have been said.

But the immediate force and real reason behind this decision is something that Husayn has not stated publicly so far, and none of the Arab leaders have been informed of it.

What I learned during a trip to America confirms that a despicable conspiracy exists. It was planned in Israel, set in motion in Washington, and it was the force which made King Husayn hasten to issue his decision so as to foil it before it could be carried out!

I had intended to keep the facts of this despicable plot a little quiet until some time in the future, but the rapid development of events on the Palestinian scene has placed Israeli politics in a state of reckless defensiveness after the Palestinians had gone so far as to proclaim a state and accept the United Nations resolution and the terms of negotiation, practically isolating Israel and nearly closing its loopholes. This intensive pressure was made with an administration making a last gasp effort to prevent ‘Arafat from coming to America at any cost.

But what is really disturbing is this marriage which is about to be made at this time between the highest political and military extremism, represented by the Likud, and the most extreme adherents of Zionist ideology represented by the religious parties along with the new fascists—that is what should arouse extreme caution in us.

This is what makes me hasten to disclose the threads of this conspiracy, because caution demands that we prepare to meet the possibility of danger and not wait for it.

The plan began in Israel, its threads growing out from an [Ariel] Sharon imperialist idea. It lie in waiting, and some adjustments and amendments were introduced into it, and its course was set. They composed its music and set the verses of its claims, and decided upon the chorus which would sing the verses and the refrain. Then it moved to Washington, to where it was sent up close to the centers of decision making, and the way began to be paved before the plot to cast its lines!

It began to try to create a general impression that "the Arabs do not want to live in peace with Israel." The tactic began to take a practical form with the use of the method of "half-truths," and the use of suppositions, presenting them in the guise of facts, then seizing on the response to them, and thus they gradually become more or less established in the mind.

The claims appeared in this manner: there are several million Palestinian refugees scattered among the Arab states awaiting the word, namely, for the West Bank and Gaza to become a Palestinian nation, whereupon the Arab states would hasten to get rid of their unwelcome guests, and they would force them to leave to join the 1.5 million Palestinians currently in the West Bank and Gaza, and thus they would once more relive the miserable life of the camps, those camps in which they kept on feeding their hatred and dwelling upon their anger over the years. And at that time they would force them once again to demand more Israeli land (note the inverted logic).

Here it becomes clear who takes up the line and completes the alleged picture.

It is said: What if the call for an international conference were to become acceptable to Washington? And what if it were to happen that the state of Palestine was imposed internationally on Israel, and then what was expected happened and the PLO ignored any agreement to keep the West Bank free of arms, and then set out to organize a network of military cells in the villages. It would be easy to smuggle arms to them, including ground to air missiles, by way of Lebanon and Syria (note the train of suppositions). Then what if Syria, Iran, and Iraq decided to launch a raid against Israel when its airplanes were not able to make reconnaissance flights or to maintain its attack forces, when the PLO had turned into a death trap for the Israeli armored cars and troop carriers. The chain comes, of course, to the intended conclusion, namely that the West Bank under PLO control is tantamount to an Achilles heel for the Israeli military!

After these preliminaries, the design comes to its intended point: "As long as the West Bank and Gaza cannot absorb more than several tens of thousands of Palestinians in addition to those who are already there, then Jordan can easily absorb 4 or 5 million Palestinians, for Jordan is a spacious, arable land, it has sources of

water, and it needs a labor force, and its people are mostly Palestinians." Putting these with those would be a humanitarian gesture reuniting divided families!

Do you realize now why King Husayn hastened and surprised everybody and severed ties between Jordan and the West Bank and Gaza? It was so as to say to the entire world: This is Palestine, that is Israel, and this here is Jordan, and there is no room for plots, for mixing things up, or for debate.

### **Columnist Calls Parties To Act Against Islamic Groups**

*45040177a Cairo AL-AKHBAR in Arabic 2 Jan 89 p 12*

[Commentary by Mustafa Amin]

[Text] The Egyptian parties are reaching out to the average Egyptian in the newspapers, but not out on the streets. Their absence is the reason for the democratic vacuum we are experiencing. No one can deny that ever since the rule of the individual came into being, "do not enter" has come to be stamped on the Egyptian scene.

When public opinion protests the attempt of several groups to impose their will by force on a neighborhood, village, or mosque, people ask themselves, where is the NDP [National Democratic Party]? Why do its youth not go out to stand up for the constitution, oppose violence, and protect the population from attack. Is it not the job of the youth to shout, clap, and yell with spirit and blood, "We will redeem you, Mubarak"? The mission of the youth of the majority NDP party is to steadfastly oppose violence and to demand that dialogue replace aggression.

We oppose the idea that the solution is to arm the youth of the parties to oppose the armed groups. We opposed the green shirts of the Young Egypt Party era, we opposed the blue shirts of the Wafd Party era, and we opposed the secret structure of the Muslim Brotherhood era. We do not believe that one country should have more than one army. We reject debating each other with sticks, pistols, bombs, and chains, and we demand Islamic groups which are arming themselves to stop doing so and hand over their arms to the state. We know how random arming caused a civil war in Lebanon that turned the streets into battlefields and laid the most prosperous Arab country to waste, ruin, and rubble.

Resorting to violence will thus lead to an explosion; small acts of violence will generate greater acts of violence, and the pressure will lead to an explosion. Therefore, we believe that opposition to the government should be expressed with opinion, argumentation, and persuasion, not terrorism. Whoever has a strong argument does not need a cannon or a machinegun to get his point across. The argument of those who employ such means is weak and feeble.

Reliance on the police alone is not enough to ensure security and safety. There must be strong public support for the law and the preservation of security. Such support is stronger than bullets, cannons, and machineguns.

We want all the parties to go out onto the political scene. It is not enough to sit in offices and publish newspaper articles. We want to permit party meetings, and we encourage parties to visit the provinces. We desire that they not be impeded from visiting the provinces, and that political meetings not be considered a violation of order and public safety.

We do not want to argue with bricks and engage in dialogue with pistols. Rather, we want to prevent a civil war that threatens democracy and threatens the entire country. We demand democracy by law, and we reject democracy by anarchy.

## ISRAEL

### **RAKAH's Call for Renewal of Ties With USSR Analyzed**

44040238 Paris AL-MUSTAQBAL in Arabic  
11 Feb 89 pp 26-27

[Article by 'Afif Salim: "A View From Within: Reverse Logic Employed in Theories of Israel's RAKAH Party"]

[Text] Nazareth—Hebrew newspapers published a statement to the press from Me'ir Vilner, secretary general of Israel's RAKAH [New Communist List] party, calling upon the Soviet Union to resume its diplomatic relations with Israel. These newspapers, which are accustomed to being active and successful in the psychological and propaganda war they wage, devoted much space to that statement even though it was right and proper for them to follow the advice given by grandmothers and to "count to ten" [before commenting on it]. Thus, Palestinian public opinion in Palestine and in the diaspora waited for one of the party's representatives to deny such "scheming" was taking place or, at best, explain, justify, or correct the statement. But it seems that those who wait will have to wait forever. And that is why a discussion of this strange and extraordinary appeal would be right and proper.

Needless to say, no secretary general of any party can voice such a position, which implies a change in the party's strategy, without getting the approval of the party's collective leadership. This is especially true of this party, that is RAKAH, which claims that its ideas, organization, and practices follow Marxist-Leninist principles. We find it inconceivable that Me'ir Vilner with his lengthy experience in political and organizational activity would be unaware of this self evident fact. That is why those who hold another opinion—and we're not saying those who have other ideas—have the right to examine this new position. They have the right to look

diligently for the moving force behind such a change in fundamental, strategic positions and to prove that the change in those positions is wrong.

It is known that RAKAH has always called for the right of Palestinian Arabs to return to Palestine and determine their own destiny. Such positions gave the party the legitimacy which enabled the Palestinian masses, who remained steadfast in their country's territory after the 1948 setback, to see it as the main force in their midst. In 1965, RAKAH opposed the partition on national grounds. While some of the party's Jewish members led by Mikonos-Sina called upon the party to relinquish its fundamental positions on a solution to the national Palestinian question to gain popularity with Jews in Israel, the majority of the party's members insisted on maintaining their fundamental positions. Instead, they called for Israel to recognize the Palestinian people's right to establish their own state, since Palestinians had accepted Resolution 181, the Partition Resolution. Palestinian recognition of Israel would follow. Even though this party sacrificed its unity at a certain stage of its history because it would not give up the fundamental positions which the party believed in, a change in these positions, especially under these circumstances, raises bigger, broader, and larger questions about the change and about the moving force behind it as well. This change comes at a time when the uprising is continuing and the isolation of Israel's rulers is growing. Criticism of the state is also growing as a result of the crimes it is committing in the occupied Palestinian state.

What was new in what Me'ir Vilner said?

In HA'ARETZ, correspondent Dan Margalit says, "RAKAH's Central Committee decided at its recent meeting to call upon the Soviet Union to resume its diplomatic relations with Israel." He added that Me'ir Vilner tried "to defend that decision by affirming the independence of the party's position and decisions," as though any enlightened person doubted that. At any rate, what is actually important to us is neither this affirmation nor Dan Margalit's attempt to suggest that the party's decision was made in response to "a confidential request from the Soviet Union." What does concern us involves the premises used by Me'ir Vilner to explain this decision or request. Mr Vilner gave his explanation in the following manner:

"First, as a result of the Soviet Union's perestroika policy, the general attitude in the world favors the use of dialogue and peaceful means to resolve differences on issues.

"Second, the Palestinian people's uprising in the occupied land created a new reality in the region, in the world, and in Israel. The resumption of diplomatic relations between the Soviet Union and Israel would

encourage the forces of peace inside Israel itself to continue pressing their support for the rights of the Palestinian people and calling for a dialogue with the PLO.

"Third, documents from the recent PNC [Palestine National Council] meeting and statements made by Mr Yasir 'Arafat show that the PLO has in effect recognized the state of Israel.

"Fourth, the Camp David Accords have been overshadowed and buried by events. The underlying support for President Husni Mubarak's government differs from that of former president Anwar al-Sadat's."

"All political observers agree that preserving the people's right to live, which is our world's main mission now, is a top priority issue. It is on the basis of that fact that regional disputes must be settled peacefully. But there is a vast difference between settling disputes peacefully and making deals at the expense of people who are struggling for their freedom and independence. Such a difference is affirmed by the Soviet Union's positions on the Palestinian question. The Soviet Union did announce more than once, especially recently, that it—that is, the Soviet Union—supports the Palestinian question and every position taken by the Palestinian people's legitimate and authorized leadership, the Palestine Liberation Organization.

"We affirm this fundamental position, and in doing so we are well aware that there are differences in points of view with the Soviet Union's tactics. We particularly disagree with Soviet tactics on allowing Jewish Soviet citizens to emigrate. We do not agree about some of the cultural delegations sent to Israel by the Soviet Union; we do not agree with the presence of the Soviet Union's diplomatic representatives in Tel Aviv; and there are other matters about which we do not agree. And yet in any step that is taken the fundamental principle remains the main requirement."

But Mr Me'ir Vilner's statement did not help explain RAKAH's statement. Instead, it intensified suspicions about the Soviet Union's position, which is what some forces opposed to the Soviet Union's policy have been waiting for. These forces have been continuously promoting the notion that the United States is the country holding all or most of the keys to a solution. In other words, Me'ir Vilner's appeal to the Soviets on behalf of RAKAH Party was an act undertaken to serve a master.

In setting forth the second justification Mr Vilner employed the principle of upside down or reverse logic. While it is true that the uprising created a new material fact in the local, regional, and international situation, it is also true that this new material fact is one that requires progressive, pro-liberation, and democratic forces in the world to increase the isolation of Israel's rulers and apply greater pressure on their policy to force them to accept an international peace conference that would have full

authority to settle the Palestinian question. What is not required, however, is reducing the pressure on Israel's beleaguered rulers, especially since Me'ir Vilner is well aware of the fact that right-wing forces in Israel are gaining power. On the one hand the recent parliamentary elections gave those right-wing forces more power, and on the other hand, Israel's democratic forces cannot win approval for any political decision they want.

With regard to the third explanation, suffice it to say that RAKAH'S newspapers and leaders have always affirmed that the PLO recognized the existence of Israel and was offering Israel peace. Why then is RAKAH putting emphasis on the resolutions of the recent PNC meeting, the PNC's uprising session? What are we to believe? Are we to believe the previous statements or RAKAH's new statements? Did the Palestinian leaders' efforts to preserve national unity, despite the fact that some radical factions rejected the resolution recognizing UN Resolutions 242 and 338, create an opportunity for RAKAH to highlight its program which has won unanimous Palestinian national support? It is known that after the aggression on 5 June 1967, RAKAH gave up its support for the Partition Resolution and its demand that it be implemented. Since then, RAKAH has been calling for Israel's withdrawal to its pre-5 June borders. It has also been calling for the establishment of a Palestinian state on the West Bank and in Gaza.

And now we come to the allegation that the Camp David Accords are dead and buried. Where did that allegation come from?

It is a fact that President Husni Mubarak's policy differs from Anwar al-Sadat's in tactics. President Mubarak, who has been trying to return to the Arab nation's fold, did manage to achieve some success in that regard. Many Arab countries restored relations with Egypt. And yet, the main question is this: Can the Egyptian Government declare its total independence from the letter and spirit of the Camp David Accords? That is the crucial question.

We are convinced that the Egyptian Government cannot do that because of the financial and economic assistance which Egypt receives from the United States. We also know for certain that there will be nothing new in the Bush Administration's relations with and support for Israel. This has been confirmed in recent days. Therefore, despite what is being said about "the cold peace," talking about a change or about a decision to bury Camp David is pointless, at least in the foreseeable future. But is talking about the death or burial of the Camp David Accords the easiest thing to do to justify RAKAH's fundamental concessions? Does it justify RAKAH's initiating action to normalize relations with Egypt? Is this the first step to break the tight siege around the rulers of Israel? Do these peculiar positions serve the cause of the Palestinian people? Does this upside down position serve the cause of the Palestinian people?

Because of our location here and because we know of RAKAH's communist cadres, we say that these recent positions provoked many critical remarks. In fact, RAKAH's positions were rejected because what is required first and foremost is more solidarity and cohesion with the uprising, and that would increase the isolation of Israel's rulers who could then be forced to go to an international conference that has full authority. At that conference all parties concerned would be equal participants, and chief among them would be the PLO, the sole, legitimate representative of the Palestinian people. Also, the right of the Palestinian people to return to their homeland, to determine their own destiny, and to establish an independent, Palestinian state on their national soil is not to be relinquished. These are the three basic principles for a settlement to the Middle East conflict. If one of them is missing, there can be no solution. These new theories are as doomed as inmates on death row.

## SUDAN

### General Yusuf Discusses Details of Talks With Garang

45040221A London AL-DUSTUR in Arabic  
12 Feb 89 pp 21, 22

[Interview with Gen Yusuf Ahmad Yusuf, member of the Democratic Unionist Party's Political Bureau and military negotiator in the party's delegation, by 'Abd-al-Qadir Hafiz; in Khartoum; date of interview not specified]

[Text] Retired General Yusuf Ahmad Yusuf, member of the Democratic Unionist Party's [DUP] Political Bureau, is the military negotiator in the party's delegation which achieved Sudan's peace initiative agreement with the Popular Movement for the Liberation of Sudan. This agreement was signed last November by DUP leader Muhammad 'Uthman al-Mirghani and by John Garang, leader of the movement. In this interview Gen Yusuf spoke to AL-DUSTUR about hitherto unpublished details of the peace agreement which is still being widely debated by Sudan's political forces.

Gen Yusuf started talking about the period which followed the signing of the agreement by saying, "After al-Mirghani and Garang signed the agreement in Addis Ababa on 16 November 1988, the two parties to the agreement formed a joint coordinating committee in which the DUP was represented by Ahmad Sa'd 'Umar and myself, and the Popular Movement was represented by Dr Lam Akol and Deng Alor. This committee was entrusted with the task of maintaining contacts with both parties at all times. To do that the committee could hold meetings any time its members agreed that circumstances required that a meeting be held to exchange opinions or, for example, to remove any ambiguity surrounding other people's understanding of the agreement and any reservations they may have as a result of such misunderstandings.

"It was agreed that permanent headquarters for this coordinating committee would be in Addis Ababa, the capital of Ethiopia. Both parties were convinced that it would be difficult for movement members to go to Sudan before the agreement is executed. That may be the reason why recently we have been traveling back and forth constantly between Khartoum and Addis Ababa. I traveled to Addis Ababa by myself recently to complete several tasks which our party had been asked to do in the context of this coordination. At the same time, my colleague, Ahmad Sa'd, stayed in Khartoum to take care of other tasks. Of course, what I did during that period was to clarify some points in the agreement and have an exchange of views about the interpretation of some items. Furthermore, such contact preserves the continuity of our relations with the Popular Movement and strengthens the ties that were established with elements of the movement by the 16 November Agreement.

"There were also urgent telephone communications recently because events were occurring rapidly in quick succession. In the last round of talks, which took place approximately 1 week ago, we reviewed all the emerging developments on the political scene as well as the situation which evolved with the departure of the DUP from the reconciliation government. Actually, the political forces knew the outcome of these contacts which had taken place since the agreement was signed. They had acquired this information either through direct meetings, which were held between DUP leaders and activists in parties and unions which support the agreement, or through the broad forums which were organized to explain details of the agreement. In the meantime, there was support for the agreement from all forces, including the Ummah Party. The Islamic Front, however, opposed the agreement completely. Then there were intense consultations which were carried out by the DUP to achieve what may be called official recognition or approval for the agreement. The agreed upon date for convening the national constitutional convention was drawing near, and when the agreement was presented to the Constituent Assembly in the manner used by the prime minister to present it, the DUP rejected the agreement, and that led to its departure from government."

[AL-DUSTUR] There is much controversy over the position taken by the prime minister and his party. After his early approval of the agreement, the prime minister then had reservations about it recently. What are the facts in this matter?

[Yusuf] These are the facts: contacts between Sudanese parties and the Popular Movement have been taking place since the March-April uprising, and all the active political forces, especially the Ummah Party and the Islamic Front, communicated with the movement's key figures in London. The only party which, unlike these parties, made no direct and expanded contacts with the Popular Movement at that time was the DUP. Its first direct contact with the movement's leaders occurred last August, and these communications continued till

November. During these 3 months the party reached an agreement which was signed. After the party's delegation returned, the agreement was applied to all the parties, including the Ummah Party. Contact with the prime minister and with the Ummah Party had been preceded by an agreement over an unsigned draft agreement. At that time the leader of the DUP had not yet traveled to sign and execute the agreement.

Sayyid Ahmad al-Husayn and Muhammad Tawfiq Ahmad are members of the delegation which conducted the preliminary negotiations. The two men met with the prime minister, and there was a broad, detailed discussion on the draft articles of the agreement. There was also written correspondence between the leader of the DUP and the leader of the Ummah party in which some points were clarified so they can be taken into consideration when the agreement is discussed at a later date. This was done to ensure the support of the Ummah Party and the Islamic Front. To confirm that support, the agreement which was reached with the movement covered the same points which were deliberated in Khartoum before the agreement was signed in Addis Ababa. After the agreement evolved in its final form, contact was made between the leader of the DUP and the prime minister. That was happening at the same time that contacts were being made with the other forces which later assembled in the national organization to support the Sudanese peace initiative which encompassed all parties and unions.

[AL-DUSTUR] Let's move beyond all that and talk directly about the reservations which were expressed afterwards and which the prime minister spoke of recently. These reservations have to do with the fact that repealing the state of emergency and declaring a cease fire coincided with the cancellation of military agreements with foreign countries.

[Yusuf] When we talk about these matters, we must take into consideration the fact that the DUP's representative, who has been negotiating with the Popular Movement, is not unaware of what goes on in other people's minds. Agreement on these points was not reached by mere accident. These matters were pondered by the party and the movement for a long time. When the discussions focused on the cease fire, movement members came up with the direct proposal of repealing the state of emergency. They had many reasons for making that request, and they explained them in detail. They argued that they and their supporters in Sudan had endured major hardships under the state of emergency which gives security authorities the power to detain and question them and perhaps even take them to places from which they would never return. They said there were numerous examples of that.

Our response was that a cease fire should be declared first and then the state of emergency would be lifted. Our response was based on the fact that the state of emergency was not declared to oppose them, nor was it

intended to be an action against the war in the south. A state of emergency was declared because there are conditions in Sudan which make the declaration of a state of emergency necessary. These are conditions like the destruction of the economy, armed robbery, and the lack of stability in the country, which is the result of chaos and smuggling and so on and so forth.

It goes without saying that war zones are areas where two parties which are fighting each other are engaged in a direct confrontation that involves the use of weapons. A state of emergency is not necessary in such a case. However, one cannot have the same level of response one has for an armed confrontation when the situation involves the destruction of the economy or smuggling and plunder. In such cases, security forces are given emergency, exceptional regulations, which came to be known as a state of emergency. We eventually came to a mutual understanding on an interpretation of this matter, with both parties agreeing that declaring a cease fire and lifting the state of emergency were purely technical matters and that details of executing them would be left to the technicians on both sides. They would be chosen from Sudan's armed forces and from the forces of the Popular Movement. The matter of timing—which one would precede or follow the other—would be left up to them.

The two parties remain fully convinced that lifting the state of emergency would be easy. It would not require measures such as those which are required to declare a cease fire, which is a lengthy and complex process. In declaring a cease fire, it is not enough, of course, to come to an agreement on the time the cease fire will take effect. Special committees have to be appointed, and these committees must have the ability to take action and to stop any violation of the cease fire when such a violation occurs.

[AL-DUSTUR] Did the negotiations and the minutes of the debates deal with specific details regarding the cease fire? Did they deal with such matters as supervisory committees and seeking the assistance of observers from outside Sudan? Did they deal with any such matters?

[Yusuf] Such details were not considered on the grounds that the matter was purely technical, as I said. Members of the technical committee on both sides were to make decisions on such details. What was on our minds, however, were past precedents which had occurred when the 1972 Addis Ababa Agreement with the first rebellion movement was applied. When the cease fire went into effect then, 100 percent of its supervisors were Sudanese experts who had been approved by both parties. They completed their mission successfully. Now, the same expertise and experiences are available to us. In short, it is now up to both sides, working through the military technical committee, to decide on the method of implementation.

Gen Yusuf went on to say this about implementing the item which has to do with cancelling military agreements: "We are fully convinced that there are no agreements which infringe upon Sudan's sovereignty, but the movement thinks otherwise. It insists that such agreements do exist. In this situation, the matter becomes a conflict or a dispute between one party confirming the existence of such agreements and another one denying it. Because they insisted they had the documents to prove their assertions, there was nothing we could do but agree to including this item in the agreement, provided the committees would then be left to investigate the allegations made by both sides. Each side would have to produce proof that its allegations were truthful."

[AL-DUSTUR] Among the other points which are still the subject of controversy is that of a declaration from the government of Sudan recognizing the agreement. In this regard the prime minister thinks that a constitutional basis does exist for such a declaration to be made by him because he heads the government. But the movement is asking that such a declaration be made by the Council of Ministers or the Constituent Assembly, which are constitutional institutions that have their own legal status. Did the agreement refer to anything which might settle such arguments?

[Yusuf] Naturally the agreement did not include anything like that, but this is something which might be covered in the minutes of the preparatory meetings which were held with the movement before the agreement was signed. Members of the movement think that the Council of Ministers' and the Constituent Assembly's recognition of the agreement would give them adequate guarantees that the agreement would be adhered to and executed. They think that recognition by the prime minister alone would not actually constitute an absolute commitment on the part of the others to adhere to the agreement because the Council of Ministers includes ministers from parties which have their own positions rejecting the agreement. That would relieve such people of their obligation to do their part to implement the peace agreement. But when the decision to recognize the agreement is made by the Council of Ministers as an institution, then all the ministers would be bound by that decision because of their joint responsibility.

At any rate, there is hope that as much universal agreement as possible will be reached because an agreement is actually the means by which a major objective can be achieved. This is something which all the Sudanese are hoping for. The post-agreement period is a lengthy and laborious one. Let's use the constitutional conference to talk about all the problems and contradictions which led to this bitter war. What lies in front of us on the negotiating table is undoubtedly many times [more difficult] than what we already went through when we signed the Sudanese peace initiative.

Arrangements were made recently before the departure of our delegation in the coordinating committee which I spoke of. I was supposed to go to Addis Ababa with my

colleague, Ahmad Sa'd 'Umar. Before that I met with the prime minister and with the minister of defense. During the meeting I had with him, the prime minister presented his point of view on some articles of the agreement. What he told me was that while we were conferring with [our counterparts in] the movement, we could exchange opinions with them about the prime minister's observations. That was not at all how the media had reported the situation at the time. The media reported that I was carrying a certain message from the prime minister to the leader of the movement and that I was to get from the movement's [representatives] a reply to that message. What happened, briefly, was nothing more than a mere attempt to bring the points of view closer together.

#### **SNP Sets Conditions for Participation in Government**

45000127 Khartoum AL-USBU' in Arabic 5 Mar 89 p 2

[Text] Amin Bashir Filin, minister of tourism and member of the Sudanese National Party [SNP], has affirmed in a statement to AL-USBU' that the SNP rejects any formula for government that disregards the constitutional institutions and imposes Shari'ah [Islamic law]. He added that the SNP unequivocally rejects so-called national personalities [as published] or a government of minorities which rules within the popularly and constitutionally authorized majority via the Constituent Assembly. Filin said that the party will withdraw from the government if it includes any national or Communist personalities.

#### **Minister Expresses Need To Raise Army Morale**

45000126 Khartoum AL-HADAF in Arabic  
24 Feb 89 p 1

[Text] Dr Bashir 'Umar, minister of culture and information, has stated that the Cabinet has affirmed the need to create an official presence in the South within the framework of raising Armed Forces morale. He pointed out that media linking the regions of the South is nonexistent and explained that the Sawbah shortwave station heard in the South will extend its service from 2 to 18 hours a day, in addition to the Raybah station's broadcast.

#### **Finance Minister Explains Current Policy Reasoning**

45040221B London AL-DUSTUR in Arabic  
12 Feb 89 pp 32-33

[Interview with Dr al-Tijani al-Tayyib, Minister of Finance, by Salah 'Abd-al-Rahim al-Amin; in Khartoum; date of interview not specified]

[Excerpts] [Passage omitted] [AL-DUSTUR] Was the recent wage increase policy and the ensuing increase in prices, taxes and popular opposition the ideal solution to counter the rise in the cost of living? Why doesn't the subsidy for basic goods continue?

[al-Tayyib] The ideal solution in circumstances similar to Sudan's current circumstances was to keep salaries and wages unchanged until the process of stabilizing the economy is completed. This means reducing inflation rates and slowing down the rapid increase in prices. After that, wages would be increased gradually in accordance with sound fiscal policies. But since that did not happen, the government had to meet its previous commitment of increasing wages and eliminating discrepancies. It was our opinion at the Ministry of Finance that the only way to do that was to use real resources to finance the increase. It was our opinion that we should not resort to borrowing from the banks since that would have dire consequences on the deteriorating economic situation. It was on that basis that the state took the approach of financing the increase from real resources. That represented the second best choice. Accordingly, recent measures which were taken to meet the additional financial obligations were expected to produce additional revenues of approximately 1.3 billion pounds. Since the total volume of the wage increase and the elimination of discrepancies is estimated to cost about 2 billion pounds, the gap between these additional revenues and the cost of the wage increase will be about 700 million pounds. We hope that other additional measures, which were proposed by the joint committee, between the government, the unions and the other concerned agencies will close this gap. These measures include the imposition of additional fees and other fees.

Regarding the reduction of general expenditures, the measures which have been proposed are measures like the reduction of government spending by cutting down the number of people staffing ministries and constitutional organizations. The reduction of costs for diplomatic and other activities has also been proposed. Such measures would save approximately 280 million pounds. Taken together, all these measures would ensure that financial conditions remain stable, thereby guaranteeing the government's policy of curbing inflation rates in the country. At the present time the rate of inflation is approximately 45 percent for the current fiscal year.

As far as the subsidy is concerned, however, we did not say that all subsidies should be stopped. What we are calling for instead is dealing with subsidies according to specific priorities and policies which would direct them and set them on the proper course that would make them benefit the needy. The state subsidizes many goods, but the fact that staples are now being sold on the black market created scarcity and high prices. It is expected that the subsidy for imported wheat in this year's budget will amount to 548 million pounds. The subsidy for petroleum products and corn will amount to 194 million pounds and 500 million pounds, respectively. Subsidies for medicines and other goods are not included. The total subsidy is between 2.5 and 3 billion pounds, or approximately 25 to 30 percent of the state's revenues. This is a large figure which represents a heavy burden on the general budget. Subsidies represent a general problem in developing countries which cannot reconcile their

production with their consumption. Subsidies can also be found in major industrial countries where they provide additional resources which can be used to benefit the poor. In Sudan subsidies have become the main engine which has kept economic inflation going. It is a major source of concern for the budget.

### The Public Sector

[AL-DUSTUR] The World Bank is participating in a program to reform public sector institutions. What has been done about that program?

[al-Tayyib] The reform plan for public sector institutions includes administrative reform of the institutions' command. It includes giving these institutions the flexibility to act and the total freedom to set their pricing and marketing policies. Under the supervision of the competent authorities, these policies are to be set in a realistic manner that takes costs into consideration. These institutions are to have total freedom in outlining their plans of action in accordance with priorities determined by the state. The goals of public sector institutions are to be tied to specific objectives, and these institutions are to be utilized to achieve those objectives. Afterwards, the state might consider keeping the essential part of these institutions, in accordance with these goals. The remaining institutions could be turned over to the public or to the public sector, according to the area of specialization.

[AL-DUSTUR] Raising the prices of goods and increasing the fees collected on goods could lead to a proportionate decline in consumers' purchases. The economic law of diminishing returns suggests that the proceeds you collect may be less than what you expected.

[al-Tayyib] Demand for goods or the consumption of goods will not decline as prices increase because our economy, which is in a recession, does not have the flexibility for high demand. Quite the contrary, we hope to reduce the proceeds received by the nonproductive sector which has always benefited from price increases.

[AL-DUSTUR] You mentioned that the government will not resort to borrowing from the banks to finance the increases. Do you believe that it will adhere to that commitment in the wake of past experiences which indicate the opposite?

[al-Tayyib] The government is committed to borrowing no more than what it is permitted to borrow from the banks. That amount was recently increased from 10 to 20 percent of the budget. In the current fiscal year that amount is 1.2 billion pounds. The Ministry of Finance has a specific position on that because changing that proportion can only be done by a decree issued by the Council of Ministers. But we hope we will not resort to that during this fiscal year; half of it has already passed, and we did not have to rely on any additional financing. Since the recent measures are not expected to create any additional burden on the budget, the effort now is being

devoted to dealing with the ordinary budget deficit, which amounts to approximately 2.5 billion pounds, without resorting to overdrafts.

[AL-DUSTUR] One quarter of a year has now gone by since the new banking policies went into effect. How would you evaluate the results of these policies?

[al-Tayyib] As far as exports are concerned, it is still too early to tell because the export season is still in its early days. However, watching price fluctuations affirms that the prices which were set for these exports are lucrative and adequate to do the job of selling all the country's basic exports. We now have a unit that specializes in maintaining a constant watch on changes in world prices and comparing them with local cost prices to ascertain that Sudanese exports are competitive in world markets. This year we expect an increase in returns from exports of between \$120 and \$200 million. It is known that returns from exports are usually between \$500 million and \$600 million.

With regard to attracting remittances from expatriates, total proceeds from foreign currency resources in the new free money market amounted to approximately \$50 million during the first quarter of the new policy's life. Considering the fact that proceeds from exports are not included in this figure, there is support in principle for the fact that the policy achieved its objective of cutting down the black market and attracting expatriates' savings through official channels. To strengthen that trend, specialized agencies are now devoting themselves to studying new investment policies geared specifically to expatriates. This is being done in an attempt to attract their savings and to invest those savings in productive activities that would guarantee the expatriates real returns on their investments.

[AL-DUSTUR] The question of peace and the economic problem are the most important problems facing the government now. To what extent is financial instability in Sudan affecting these two questions?

[al-Tayyib] Peace and the economic problem are two issues which are tied to each other. We've come a long way toward achieving peace. It is important to provide stability to any economic achievement because the lack of stability has a negative effect on utilizing resources and, accordingly, on attracting and executing financial agreements and securing foreign assistance. Sudan's circumstances during the past years definitely affected the volume of foreign aid coming into the country, especially in the area of development. Security conditions did not permit the implementation of numerous projects that were earmarked for unstable areas. But in stable areas performance was reasonable. We hope that stability will prevail everywhere in the country very soon so that we can not only increase the volume of foreign aid, but also execute that which has already been provided. However, present circumstances do not permit the utilization of this aid in the required manner and at the required speed. [passage omitted]

### **Industry Troubled by Financing, Currency Shortages**

45040219 Khartoum AL-SIYASAH in Arabic  
26, 30 Jan 89

[Article: "The Industrial Sector in the Sudan: Problems and Possibilities for Solution" (Installments 4 and 5)]

[26 Jan 89, p 9]

[Text]

### **Problems of Financing the Industry Sector**

Problems of industrial sector financing affect the private sector almost exclusively; the public sector has not faced these problems. The foreign component of public sector factories has come from foreign aid (loans and grants), while the domestic component has come from the public treasury. Financing to repair these factories will also come from the same sources.

Financing problems can be divided into two kinds:

- A. Problems related to absence of local sources to finance industrial establishments (permanent assets and operating funds).
- B. Problems related to shortage of foreign-currency financing needed for the industrial sector.

### **A. Local Sources For Financing Industrial Establishments**

#### **1. Local Sources For Financing Permanent Assets**

To finance the permanent assets of their industrial establishments, industrialists rely on their private resources or on certain foreign companies that supply them with machines and equipment—"credits suppliers" [in English in source]—through short-term loans (5 years at maximum). These companies may charge very high interest rates, sometimes reaching the extortion level, if the owners of the loan-seeking industrial establishment are unversed in the art of dealing and negotiating with this kind of loan provider.

This reliance on private resources and foreign companies is due to the absence of adequate local sources of financing. The Industrial Bank founded in 1961 was the only source able to participate in financing this sector until 1974, when the Sudanese Development Organization was founded with a paid-out capital of \$200 million.

Although participation in financing the permanent assets of industrial establishments was one of the most important goals of these two organizations, their contribution in this regard has been very meager and inadequate.

The Industrial Bank's abilities are very limited. The bank was established with a capital of 3 million Sudanese pounds, of which 2 million were paid out initially. Although this capital rose to 8 million, all of which was paid out in the seventies, this did not satisfy the requirements of the industrial sector, which was expanding daily. As for the Sudanese Development Organization with its large capital, it has participated to date in a very limited number of industrial projects—e.g., the Kassala fruit canning plant, the Jazirah farmers' textile mill (JIMATEX), the Qasim Talab textile mill in al-Baqir, and Fath-al-Rahman al-Bashir's yeast plant in al-Jazirah. The organization's participation in this sector has not yet expanded very much.

Although participation in financing permanent assets of local plants is the most important role these two organizations should play in the investments sector, they have done this for very large and medium-size factories (the Sudanese Development Organization in particular prefers this). Small establishments, however, have a hard time borrowing from the two agencies. What these two organizations contribute is a small proportion of the capital of the plants that are fortunate enough to be able to borrow from them. Furthermore, these two financing sources charge very high interest rates. The Industrial Bank's interest rate on its loans has reached about 15 percent in recent years. This is indeed a high rate, if we take into consideration the government's goal of encouraging the industrial sector and all the industrial investment laws passed since independence (1956) to encourage this sector in particular.

This is apart from the problem of operating funds. These two sources contribute in a limited way to financing permanent assets for some large and very large industrial establishments. Their contribution is medium-and long-term; they are not involved in lending short-term operating funds.

## 2. Local Sources for Borrowing Operating Funds

There are no local sources (banks, for example) that were created to meet the responsibility of contributing to the operating funds of the industrial sector. To cover the constant operating fund deficit they face, factory owners have turned to the commercial banks, which, by the nature of their activity, specialize in short-term loans (not over 1 year). As we know, they need this money for paying worker salaries, buying local or imported raw materials, internal transport of the inputs of their industries, paying electricity and water bills, and other such ongoing expenses, until production and sales take place and the loans can be repaid.

Short-term commercial loans naturally involve very high interest rates—up to 21 percent in recent years. Commercial banks sometimes demand huge collateral on such loans. The result has been to render industrialists

unable to borrow from these banks, particular those industrialists who own medium or small-size establishments and do not have sufficient collateral to facilitate the borrowing process.

Those who have been fortunate enough to be able to borrow from the commercial banks have had their hands completely tied by the restrictions set by these banks that have lent them millions of Sudanese pounds at very high interest rates. Because of falling production in these factories, they have been unable to meet their obligations. This has forced the banks to charge them interest on the interest—and even the latter they cannot pay. Thus, these factories have entered a vicious cycle difficult to break. In this situation, we find that some factories' indebtedness to the commercial banks in the form of credit facilities and interest exceeds their total investments in permanent and current assets.

All these reasons have caused industrial production to shrink and have caused these plants not to be operated at reasonable, let alone full capacity.

Another aspect is that the 1983 decrees Islamicizing the banks have been a policy of unclear features as regards industrial financing. The experiment of the foreign Islamic banks that have operated in the last few years has been quite bitter. They have utterly refused to deal with investment financing for development. The four government banks have meanwhile shouldered all the burdens of development and its investments, which has overburdened them. The foreign Islamic banks deal only with quick-return projects such as warehousing and import-export. They avoid the risks of long-term investments and have not yet devised a definite method for financing industrial working capital (i.e., permanent assets and operating funds).

The table below shows debts owed by the private industrial sector to government commercial banks and local financial institutions until the end of 1979.

It becomes clear from this table that most industrial sector debts are to the commercial banks and that most of them are short-term. These debts consist of credit facilities most of which are for 1 year or less. They were used by industrialists to import raw materials and spare parts and were at high interest rates. As for the medium and long-term loans from commercial banks, they were not used to buy permanent assets for industrial establishments; instead, they involved the rescheduling of short-term debts that the debtors were unable to repay on time, so that they would not have to proclaim insolvency. The latter would have required various measures such as sequestration of the factories and other property of the factory owners.

A study of industrial sector problems in the Sudan published in the book, "Industrial Policies and Industrialization in the Sudan," shows that about 66 percent of

the owners of industrial installations have been unable to obtain such credit facilities from the commercial banks. This has been reflected in a shrinkage of production in their plants.

In some industries, such as textiles and soap, certain other government policies have largely contributed to increasing the shortage of operating funds. The textiles industry, for example, one of the biggest industries in the country in terms of investment and work force, has suffered greatly from these policies. This industry depends on local raw materials (short and medium-staple cotton) purchased from the government. For reasons having to do with government revenues, the government requires plants to buy their cotton requirements for the entire production year in one installment and at the prices prevailing at that time. Furthermore, it requires them to pay for the purchase immediately in cash and grants no other easements, such as installment payment or a grace period for paying the sums involved. This puts a heavy burden on the factories, since they usually do not have such liquidity on time to buy their raw material requirements for the entire production year all at once. Furthermore, this forces them to find sufficient warehouse space to store these tremendous quantities of cotton, not to mention the cost of insurance against storage dangers. Obviously, this leads to increased costs for these factories. The same situation applies to oil and soap factories that use locally produced oil seeds as raw material for their products.

There is no doubt that such a situation leads many industrial sector investors to turn from establishing industries that rely on local raw materials in their products. Many investors have indeed turned to establishing plants that process imported raw materials. The foreigners with whom they deal grant them certain credit facilities in this regard, thus encouraging them greatly. This situation runs counter to the government's policy announced in its industrial laws and in its plans to develop the economy generally and the industrial sector specifically—namely, to encourage industries that use local raw materials. In order for these policies to be meaningful and serious, the government should work to remove all these financial obstacles.

[30 Jan 89 p 9]

[Text]

#### **Deficit in Needed Foreign-Currency Financing**

The deficit in needed foreign-currency financing facing the Sudanese industrial sector (its severity began to be visible in the mid-seventies) is one of the most important obstacles hindering this sector's progress. It has also caused industrial production in the country to be feeble and factories not to be operated at full or at appropriate capacity.

Most factories in the Sudan depend entirely or to a great extent on imported raw materials. Scarcity of foreign currency has made it difficult to import these materials, as well as spare parts and fuel for these factories. The problem of availability of necessary foreign currency to provide raw materials, spare parts, and machines needed for replacement operations has worsened in recent times. Although we find that many factories have met their responsibilities to open letters of credit for importers in the local currency, the conversion of this currency into foreign currencies has not taken place in time. This has caused some raw material and spare parts importers to avoid dealing with Sudanese factories. In certain cases, local currency has accumulated in local banks to the amount of millions of pounds that cannot be transferred abroad.

The foreign currency deficit has made it imperative to rationalize the importation of these things after the procurement of the necessary bonds. It has caused procurement delays, leading to idling of factories and their suspension of operation for long periods of time. This has doubtlessly affected industrial production and contributed to the scarcity and shortage of industrial products, their sale on the black market, a rise in their price, and the inability of the ordinary citizen to obtain them.

While we appreciate the scarcity of foreign currency in the country because of the country's deteriorating economic state generally and of exports in particular, and while we also appreciate the accumulation of external debts and the country's inability to meet its obligations toward these debts, which has affected its ability to incur debt and borrow, we think that the available foreign-currency capital, small as it is, has not been used to best advantage. Lack of coordination between competent agencies has disordered the priorities in this area. Priority has not been given to using available foreign currency to import raw materials and spare parts for existing establishments, so that they can be operated at full or reasonable capacity. Instead, this currency has been used to buy machines and equipment for new industrial establishments.

In our view, there is no clear justification for giving new establishments priority over existing plants in the use of scarce foreign currency. The existing plants need to put their diminished capacities to work, capacities from which we have not yet benefitted. It is not rational to build new factories destined to go the way of their older sister plants that cannot produce because of lack of adequate foreign currency to provide raw materials for operation and to import spare parts, replacement machinery, and fuel.

This has involved a great waste of scarce foreign currency and the squandering of the country's meager free currency resources.

As for the surplus after spending on new establishments, it used to be divided among operating factories for the importation of required raw materials and spare parts on the basis of their previous year's foreign currency requirements. Because of this procedure, factories operating at a profit might be given equal treatment with factories not operating or operating at a loss—certainly not a wise policy!

Another problem is that local industry has been affected by policies of devaluing the Sudanese pound during the last 7 years. This has become an ongoing problem that increases day by day. It has greatly affected all of the sector's imports from abroad. It has also affected its purchases of local raw materials, since the local buyer of these materials (cotton and oil seeds) is treated like the foreign buyer with regard to his repaying his deferred obligations. It should be mentioned that last year the government finally stopped financing the industrial sector in foreign currency. Many industrialists turned to the free market to buy dollars at prevailing prices and deposit them in the banks in order to open letters of credit for importing needed raw materials and spare parts.

Great harm was done to these private sector investors, because this situation was not taken into account when prices were fixed for the products of these investors. When the selling prices for industrial products delivered by a factory were set, the Ministry of Trade decided on a producer's profit rate of between 5 and 15 percent above cost price. In computing the cost price, they calculate the dollar at the commercial banks' exchange rate, which is unavailable, and which is utterly different from the current free market rate. One must ask how industrialists are to cover the difference between the two prices. Last year, in particular, the difference increased continually and reached 170 piasters in the last months of the last year, 1985.

From the above table, we can clearly see that the gap between the two rates is increasing daily, crippling industrialists, and lowering industrial production and plant operating capacity, which in recent years has dropped to 10 to 20 percent of full capacity. This situation has led the rapid loss and closure of many

industries. Latest statistics on this sector show that 143 private plants have already closed for good, not to mention the economic problems to which such a situation in the industrial sector leads. The resultant social problems must not be underestimated. The most important of these are worker displacement and increased unemployment, which has become an epidemic that will pervade the country.

### **Communist Paper Accuses NIF of Harassing Al-Qawz Students**

45000128 Khartoum AL-MAYDAN in Arabic  
5 Mar 89 p 1

[Text] Kusti, AL-MAYDAN office—A group of National Islamic Front [NIF] elements in Kusti is practicing terrorism and violence against the membership of the Socialist Democratic Front [SDF] in al-Qawz secondary school.

This group is going around to the homes of certain students in the middle of the day or late at night, taking the targeted student far from his home, drugging him, and threatening him with beating and severe punishment if he does not stop criticizing the NIF.

The threatened students are Yasir Mahjub al-Nadif, Mahdi al-Tayyib al-Mahi, and Nasir Muhammad Sulayman, all members of the SDF.

The same group attacked student 'Abd-al-Fattah 'Ali Abu-Zayd after they took him to a place away from the other students. They also attacked student Muhammad Hasab-al-Rasul, who was rescued by a number of other students near the scene of the incident. This group had reached the school via pickup truck.

It has just come out that the group is led by a teacher in the school working as a volunteer who gathers these elements around him, gives out directions, then returns to the school after the directions have been carried out. One of the group's members wore a mask over his face.

The SDF submitted a memorandum to the school's administration and notified the police about confronting the suspects that they were able to identify.

## IRAN

### Port Facilities To Be Computerized

46400061a Tehran RESALAT in Persian 8 Jan 89 p 11

[Text] With the implementation of the plan to expand the technical facilities of the ports, four new commercial dock stations are expected to be built in Bandar Anzali.

This number of dock stations, the construction operations on which have started, and the loading and unloading capacity of which will be one million tons of various goods annually, will play an important role in the transport of the Caspian Sea.

He added: This year alone, thus far, more than 300,000 tons of goods have been unloaded by several commercial ships at this port. At the same time, significant amounts of domestic goods have been exported from this port.

In regards to modernizing the port facilities in Bandar Anzali, he said: In order to expedite loading and unloading and to maintain the quality of goods, with the allocation of 200 million rials in credit from mid-Shahrivar [September] of next year, construction operations on a loading and unloading system with conveyor belts will begin in the transport office of the port.

The director general of ports and shipping at Bandar Anzali also added: Along with the implementation of these port expansion projects, from early next year, the financial services as well as the operations of sea and transport affairs in this port will be computerized.

In connection with this project, he added that at the present time, the plan to computerize the port administrative and financial services has been implemented in some of the southern ports of the country, and in the future the computerized system will be expanded to all ports.

In regards to establishing and creating new training courses, he said: For the first time without the assistance of foreign experts, training in the field of warehousing techniques and parts identification has begun with the admission of 13 students to the center for sea and technical specialization training of this central office.

The establishment of a seamanship training course to provide the skilled manpower for the Iran-India commercial fleet is another program of the center for sea and technical training of this central office.

### Agricultural Plans Implemented

46400061b Tehran RESALAT in Persian 8 Jan 89 p 11

[Interview with deputy director of the agricultural bank of the Gorgan and Gonbad region on 7 Jan 89 by IRNA; place not given]

[Text] With more than 1.14 billion rials in capital, 332 agricultural plans were implemented by 800 farmers in the Gorgan and Gonbad area under the supervision of the agricultural bank of this region.

This statement was announced by the deputy director of the agricultural bank of the Gorgan and Gonbad region yesterday in an interview with IRNA.

He said: Also, during this period, 10 million rials have been invested to implement 92 water and soil plans and the national coverage plan in the Gorgan and Gonbad region in order to prevent the wasting of water by the farmers of the region.

Then he stated that the capital to be provided by this bank for these projects would be in the form of 10-year interest-free loans. He said:

Furthermore, in the first 9 months of this year, more than 4 billion rials in credit have been extended to 6,000 farmers in the region in the form of Islamic contracts.

He announced the bank's outstanding loans to be about 5 billion rials and said: During the same period it has paid 41 million rials in insurance compensation to 1,000 farmers in the region for 3,000 hectares of cotton and soy bean farms.

### Aliran Chemical Factory Becomes Operational

46400061c Tehran RESALAT in Persian 9 Jan 89 p 11

[Text] The Aliran chemical factory, a producer of all sorts of solid and liquid automobile insulation, became operational in Semnan during the past few days.

According to a report by IRNA from Semnan, the general manager of this factory announced this statement yesterday and said: The annual capacity of this production unit is 130 tons of solid insulation and 2,000 tons of liquid insulation.

He said: The material produced in this unit, which meets the necessary standards, will be used to insulate cars to prevent rust, to protect the body of the automobile against conducting electricity, and for soundproofing.

Pointing out that the solid insulation materials come in the form of perforated linoleum sheets, he said: These sheets are produced in 20 by 50 dimensions.

Also, the liquid insulation material consists of tar combined with fireproof materials such as heat-resistant soil, asbestos and (barakesh), which are used to insulate the underside and outside of automobiles.

He said that these materials, which are comprised of 30 percent tar, are available in 20-liter containers.

In conclusion, the general manager of the Aliran chemical factory of Semnan, pointing out that 30 percent of the materials needed to produce the above-mentioned insulation are procured domestically, said: This factory, with two production rooms, was built on 4,500 square meters of land, for the construction of which 85 million rials was spent.

NTIS

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